87R7237 MWC-D

By:  Raymond H.B. No. 2160

A BILL TO BE ENTITLED

AN ACT

relating to requiring the Department of Information Resources to conduct a study concerning the cybersecurity of small businesses.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  DEFINITIONS. In this Act:

(1)  "Department" means the Department of Information Resources.

(2)  "Tax incentive" means any exemption, deduction, credit, exclusion, waiver, rebate, discount, deferral, or other abatement or reduction of state tax liability of a business entity.

SECTION 2.  STUDY CONCERNING CYBERSECURITY OF SMALL BUSINESSES. (a) The department, in collaboration with the Texas Workforce Commission, shall conduct a study to:

(1)  assess how small businesses can improve their ability to protect against cybersecurity risks and threats to the businesses' supply chain and to mitigate and recover from cybersecurity incidents; and

(2)  determine the feasibility of establishing a grant program for small businesses to receive funds to upgrade their cybersecurity infrastructure and to participate in cybersecurity awareness training.

(b)  In conducting the study, the department must:

(1)  consider the current best practices used by small businesses for cybersecurity controls for their information systems to protect against supply chain vulnerabilities, which may include best practices related to:

(A)  software integrity and authenticity; and

(B)  vendor risk management and procurement controls, including notification by vendors of any cybersecurity incidents related to the vendor's products and services;

(2)  identify barriers or challenges for small businesses in purchasing or acquiring cybersecurity products or services;

(3)  consider and estimate the cost of any available tax incentives or other state incentives to increase the ability of small businesses to acquire products and services that promote cybersecurity;

(4)  assess the availability of resources small businesses need to respond to and recover from a cybersecurity event;

(5)  study the impact of cybersecurity incidents that have affected small businesses, including the resulting costs to small businesses;

(6)  to the extent possible, identify any emerging cybersecurity risks and threats to small businesses resulting from the deployment of new technologies; and

(7)  study any other issue the department and the Texas Workforce Commission determine would have a future impact on cybersecurity for small businesses with supply chain vulnerabilities.

(c)  In determining the feasibility of establishing a grant program described by Subsection (a)(2) of this section, the study must:

(1)  identify the most significant and widespread cybersecurity incidents impacting small businesses, vendors, and others in the supply chain network of small businesses;

(2)  consider the amount small businesses currently spend on cybersecurity products and services and the availability and market price of those services; and

(3)  identify the type and frequency of training necessary to protect small businesses from supply chain cybersecurity risks and threats.

SECTION 3.  REPORT. (a) Not later than December 31, 2022, the department shall submit to the standing committees of the senate and house of representatives with jurisdiction over small businesses and cybersecurity a report that contains:

(1)  the results of the study conducted under Section 2 of this Act, including the feasibility of establishing a grant program described by Subsection (a)(2) of that section; and

(2)  recommendations for best practices and controls for small businesses to implement in order to update and protect their information systems against cybersecurity risks and threats.

(b)  The department shall make the report available on the department's Internet website.

SECTION 4.  EXPIRATION OF ACT. This Act expires September 1, 2023.

SECTION 5.  EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.