

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

1 systems to protect against supply chain vulnerabilities, which may
2 include best practices related to:

3 (A) software integrity and authenticity; and

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

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

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

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

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

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

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

27 (c) In determining the feasibility of establishing a grant

1 program described by Subsection (a)(2) of this section, the study
2 must:

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

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

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

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

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

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

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

24 SECTION 4. EXPIRATION OF ACT. This Act expires September 1,
25 2023.

26 SECTION 5. EFFECTIVE DATE. This Act takes effect
27 immediately if it receives a vote of two-thirds of all the members

H.B. No. 2160

1 elected to each house, as provided by Section 39, Article III, Texas
2 Constitution. If this Act does not receive the vote necessary for
3 immediate effect, this Act takes effect September 1, 2021.