

By: Shaheen, Lucio III, Capriglione,  
Schofield, Hull

H.B. No. 4395

Substitute the following for H.B. No. 4395:

By: Paddie

C.S.H.B. No. 4395

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to state agency and local government security incident  
3 procedures.

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

5 SECTION 1. Section 2054.1125, Government Code, is  
6 transferred to Subchapter R, Chapter 2054, Government Code,  
7 redesignated as Section 2054.603, Government Code, and amended to  
8 read as follows:

9 Sec. 2054.603 [~~2054.1125~~]. SECURITY INCIDENT [~~BREACH~~]  
10 NOTIFICATION BY STATE AGENCY OR LOCAL GOVERNMENT. (a) In this  
11 section:

12 (1) "Security incident" means the actual or suspected  
13 unauthorized access, disclosure, exposure, modification, or  
14 destruction of sensitive personal information, confidential  
15 information, or other information the disclosure of which is  
16 regulated by law, including:

17 (A) a breach or suspected breach [~~"Breach"~~] of  
18 system security as defined [~~security" has the meaning assigned~~] by  
19 Section 521.053, Business & Commerce Code; and

20 (B) ransomware as defined by Section 33.023,  
21 Penal Code.

22 (2) "Sensitive personal information" has the meaning  
23 assigned by Section 521.002, Business & Commerce Code.

24 (b) A state agency or local government that owns, licenses,

1 or maintains computerized data that includes sensitive personal  
2 information, confidential information, or information the  
3 disclosure of which is regulated by law shall, in the event of a  
4 security incident [~~breach or suspected breach of system security or~~  
5 ~~an unauthorized exposure of that information~~]:

6 (1) comply with the notification requirements of  
7 Section 521.053, Business & Commerce Code, to the same extent as a  
8 person who conducts business in this state; [~~and~~]

9 (2) not later than 48 hours after the discovery of the  
10 security incident [~~breach, suspected breach, or unauthorized~~  
11 ~~exposure~~], notify:

12 (A) the department, including the chief  
13 information security officer; or

14 (B) if the security incident [~~breach, suspected~~  
15 ~~breach, or unauthorized exposure~~] involves election data, the  
16 secretary of state; and

17 (3) comply with all department rules relating to  
18 security incidents.

19 (c) Not later than the 10th business day after the date of  
20 the eradication, closure, and recovery from a security incident  
21 [~~breach, suspected breach, or unauthorized exposure~~], a state  
22 agency or local government shall notify the department, including  
23 the chief information security officer, of the details of the  
24 security incident [~~event~~] and include in the notification an  
25 analysis of the cause of the security incident [~~event~~].

26 SECTION 2. This Act takes effect September 1, 2021.