

By: Paxton, et al.
(Capriglione)

S.B. No. 1204

A BILL TO BE ENTITLED

AN ACT

relating to state and local government information technology and
information security.

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

SECTION 1. Section 2054.003, Government Code, is amended by
adding Subdivisions (11) and (11-a) to read as follows:

(11) "Peer-to-peer payment" means a transfer of funds
using a peer-to-peer payment system.

(11-a) "Peer-to-peer payment system" means a digital
non-credit card system used for transferring funds from one party
to another.

SECTION 2. The heading to Section 2054.0594, Government
Code, is amended to read as follows:

Sec. 2054.0594. INFORMATION SHARING AND ANALYSIS
ORGANIZATIONS ~~[ORGANIZATION]~~.

SECTION 3. Section 2054.0594, Government Code, is amended
by amending Subsections (a), (b), and (c) and adding Subsection
(a-1) to read as follows:

(a) The department shall establish an intrastate
information sharing and analysis organization to provide a forum
for state agencies, local governments, public and private
institutions of higher education, and ~~[the]~~ private sector entities
in this state to share information regarding cybersecurity threats,
best practices, and remediation strategies.

1 (a-1) The department may establish an interstate
2 information sharing and analysis organization to provide a forum
3 for states to share information regarding cybersecurity threats,
4 best practices, and remediation strategies.

5 (b) The department shall provide administrative support to
6 each [the] information sharing and analysis organization
7 established under this section.

8 (c) A participant in an [the] information sharing and
9 analysis organization established under this section shall assert
10 any exception available under state or federal law, including
11 Section 552.139, in response to a request for public disclosure of
12 information shared through the organization. Section 552.007 does
13 not apply to information described by this subsection.

14 SECTION 4. Section 2054.060, Government Code, is amended by
15 adding Subsection (a-1) to read as follows:

16 (a-1) Unless expressly prohibited by other law or a rule
17 adopted by the state agency, a state agency shall accept a digital
18 signature included in any communication or payment electronically
19 delivered to the state agency.

20 SECTION 5. The heading to Section 2054.068, Government
21 Code, is amended to read as follows:

22 Sec. 2054.068. STATE AGENCY INFORMATION TECHNOLOGY
23 INFRASTRUCTURE: INFORMATION SECURITY RATING; AUDIT; REPORT.

24 SECTION 6. Section 2054.068, Government Code, is amended by
25 amending Subsections (b), (c), and (d) and adding Subsections
26 (c-1), (c-2), (c-3), (c-4), (e-1), (e-2), and (e-3) to read as
27 follows:

(b) The department shall collect from each state agency information on the status and condition of the agency's information technology infrastructure, including ~~information regarding~~:

(1) information on the agency's information security program;

(2) an inventory of the agency's servers, mainframes, cloud services, and other information technology equipment;

(3) identification information for ~~of~~ vendors that operate and manage the agency's information technology infrastructure; ~~and~~

(4) the results of the information security assessment required by Section 2054.515; and

(5) any additional related information requested by the department.

(c) A state agency shall provide the information required by Subsection (b) to the department not later than June 1 of each even-numbered year ~~[according to a schedule determined by the department]~~.

(c-1) The department shall assign to each state agency, other than an institution of higher education, one of the following information security ratings based on the agency's information security risk profile:

(1) above average;

(2) average; or

(3) below average.

(c-2) In assigning an information security rating to a state agency under Subsection (c-1), the department shall consider:

1 (1) the information the agency provides under
2 Subsection (b);

3 (2) the agency's comprehensive information security
4 risk position relative to the agency's risk environment; and

5 (3) any additional document or information the
6 department requests from the agency.

7 (c-3) The department:

8 (1) shall develop options and make recommendations for
9 improvements in the information security maturity of any state
10 agency assigned an information security rating of below average
11 under Subsection (c-1); and

12 (2) may assist any state agency in determining whether
13 additional security measures would increase the agency's
14 information security maturity.

15 (c-4) The department may audit the information security and
16 technology of any state agency assigned an information security
17 rating under Subsection (c-1) or contract with a vendor to perform
18 the audit. The department shall make available on request by any
19 person listed in Subsection (d) the results of an audit conducted
20 under this subsection.

21 (d) Not later than November 15 of each even-numbered year,
22 the department shall submit to the governor, chair of the house
23 appropriations committee, chair of the senate finance committee,
24 speaker of the house of representatives, lieutenant governor, and
25 staff of the Legislative Budget Board:

26 (1) a consolidated report of the information submitted
27 by state agencies under Subsection (b); and

(2) any department recommendations relevant to and necessary for improving this state's information technology infrastructure and information security.

(e-1) The department shall compile a summary of the consolidated report required under Subsection (d) and make the summary available to the public. The summary may not disclose any confidential information.

(e-2) The consolidated report required under Subsection (d) and all information a state agency submits to substantiate or otherwise related to the report are confidential and not subject to disclosure under Chapter 552. The state agency or the department may redact or withhold information as confidential under Chapter 552 without requesting a decision from the attorney general under Subchapter G, Chapter 552.

(e-3) Following review of the consolidated report, the Legislative Budget Board may direct the department to select for participation in a statewide technology center established under Subchapter L any state agency assigned an information security rating under Subsection (c-1). The department shall notify each selected state agency of the agency's selection as required by Section 2054.385. The department is not required to conduct the cost and requirements analysis under Section 2054.384 for a state agency selected for participation under this subsection. This subsection expires September 1, 2027.

SECTION 7. Subchapter C, Chapter 2054, Government Code, is amended by adding Section 2054.0692 to read as follows:

Sec. 2054.0692. GUIDANCE ON USE OF DISTRIBUTED LEDGER

1 TECHNOLOGY. (a) The department shall develop and disseminate
2 guidance for the use of distributed ledger technology, including
3 blockchain, among state agencies.

4 (b) The guidance must include a framework or model for
5 deciding if distributed ledger technology is appropriate for
6 meeting a state agency's needs. The guidance may include:

7 (1) examples of potential uses of distributed ledger
8 technology by an agency;

9 (2) sample procurement and contractual language; and

10 (3) information on educational resources for agencies
11 on distributed ledger technology.

12 SECTION 8. Section 2054.095(b), Government Code, is amended
13 to read as follows:

14 (b) Except as otherwise modified by the Legislative Budget
15 Board or the governor, instructions under Subsection (a) must
16 require each state agency's strategic plan to include:

17 (1) a description of the agency's information
18 resources management organizations, policies, and practices,
19 including the extent to which the agency uses its project
20 management practices, as defined by Section 2054.152;

21 (2) a description of how the agency's information
22 resources programs support and promote its mission, goals, and
23 objectives and the goals and policies of the state strategic plan
24 for information resources; ~~and~~

25 (3) a description of customer service technology,
26 including telephone systems and websites, that improves customer
27 service performance; and

1 (4) other planning components that the department may
2 prescribe.

3 SECTION 9. Section 2054.1115, Government Code, is amended
4 by amending Subsection (a) and adding Subsection (c) to read as
5 follows:

6 (a) A state agency or local government that uses the state
7 electronic Internet portal may use electronic payment methods,
8 including the acceptance of peer-to-peer payments, credit cards,
9 and debit cards, for:

10 (1) point-of-sale transactions, including:

11 (A) person-to-person transactions;

12 (B) transactions that use an automated process to
13 facilitate a person-to-person transaction; and

14 (C) transactions completed by a person at an
15 unattended self-standing computer station using an automated
16 process;

17 (2) telephone transactions; or

18 (3) mail transactions.

19 (c) The department shall identify at least three commonly
20 used peer-to-peer payment systems that provide for data privacy and
21 financial security and post a list containing those systems in a
22 conspicuous location on the department's Internet website. The
23 department shall biennially review and, if necessary, update the
24 list required under this subsection.

25 SECTION 10. Section 2054.136, Government Code, is amended
26 to read as follows:

27 Sec. 2054.136. DESIGNATED INFORMATION SECURITY OFFICER.

1 (a) Each state agency shall designate an information security
2 officer who:

3 (1) reports to the agency's executive-level
4 management;

5 (2) has authority over information security for the
6 entire agency;

7 (3) possesses the training and experience required to
8 perform the duties required by department rules; and

9 (4) to the extent feasible, has information security
10 duties as the officer's primary duties.

11 (b) An employee designated under Subsection (a) may be
12 designated to serve as a joint information security officer by two
13 or more state agencies. The department must approve the joint
14 designation.

15 SECTION 11. Subchapter L, Chapter 2054, Government Code, is
16 amended by adding Section 2054.393 to read as follows:

17 Sec. 2054.393. MARKETING OF SERVICES. (a) Notwithstanding
18 Section 2113.011 and subject to Subsection (b), the department may
19 use appropriated money to market to state agencies and local
20 governments shared information resources technology services
21 offered by the department under this subchapter, including data
22 center, disaster recovery, and cybersecurity services.

23 (b) An expenditure of money under this section must be
24 approved by the executive director.

25 SECTION 12. The heading to Section 2054.515, Government
26 Code, is amended to read as follows:

27 Sec. 2054.515. STATE AGENCY INFORMATION SECURITY

1 ASSESSMENT [~~AND REPORT~~].

2 SECTION 13. Sections 2054.515(a), (c), and (d), Government
3 Code, are amended to read as follows:

4 (a) At least once every two years, each state agency shall
5 conduct an information security assessment of the agency's[+]

6 [~~(1)~~] information resources systems, network systems,
7 digital data storage systems, digital data security measures, and
8 information resources vulnerabilities[~~, and~~

9 [~~(2) data governance program with participation from~~
10 ~~the agency's data management officer, if applicable, and in~~
11 ~~accordance with requirements established by department rule~~].

12 (c) Each state agency shall complete the information
13 security assessment in consultation with the department or the
14 vendor the department selects and submit the results of the
15 assessment to the department in accordance with Section 2054.068(b)
16 ~~[The department by rule shall establish the requirements for the~~
17 ~~information security assessment and report required by this~~
18 ~~section]~~.

19 (d) All [~~The report and all~~] documentation related to the
20 information security assessment is [~~and report are~~] confidential
21 and not subject to disclosure under Chapter 552. The state agency
22 or department may redact or withhold the information as
23 confidential under Chapter 552 without requesting a decision from
24 the attorney general under Subchapter G, Chapter 552.

25 SECTION 14. Section 2054.577(c), Government Code, is
26 amended to read as follows:

27 (c) Money in the fund:

1 (1) may be used to improve and modernize state agency
2 information resources, including legacy system projects and
3 cybersecurity projects; ~~and~~

4 (2) may be used to mitigate a breach or suspected
5 breach of system security, as defined by Section 521.053, Business
6 & Commerce Code, or the introduction of ransomware, as defined by
7 Section 33.023, Penal Code, into a computer, computer network, or
8 computer system at a state agency;

9 (3) may not be used to replace money appropriated to a
10 state agency for the purposes of operating and maintaining state
11 agency information resources or reduce the amount of money
12 appropriated to a state agency for those purposes; and

13 (4) may not be used to pay a person who commits the
14 offense of electronic data tampering punishable under Section
15 33.023, Penal Code.

16 SECTION 15. Chapter 2056, Government Code, is amended by
17 adding Section 2056.0023 to read as follows:

18 Sec. 2056.0023. INFORMATION TECHNOLOGY MODERNIZATION PLAN.

19 (a) As part of the strategic plan required under Section 2056.002,
20 a state agency shall include an information technology
21 modernization plan that outlines the manner in which the agency
22 intends to transition its information technology and data-related
23 services and capabilities into a more modern, integrated, secure,
24 and effective technological environment.

25 (b) The Department of Information Resources may provide a
26 template for the information technology modernization plan
27 required by this section.

1 SECTION 16. The following provisions are repealed:

2 (1) Section 2054.068(f), Government Code; and

3 (2) Section 2054.515(b), Government Code, as amended
4 by Chapters 567 (S.B. 475) and 856 (S.B. 800), Acts of the 87th
5 Legislature, Regular Session, 2021.

6 SECTION 17. The Department of Information Resources shall
7 develop and disseminate the guidance and decision model required by
8 Section 2054.0692, Government Code, as added by this Act, not later
9 than December 1, 2023.

10 SECTION 18. This Act takes effect September 1, 2023.