

## **BILL ANALYSIS**

Senate Research Center

H.B. 5331  
By: Dean (King)  
Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current state law requires state agency and local government cyberattacks to be reported to the Texas Department of Information Resources within 48 hours of discovery. However, some cybersecurity insurance policies contain clauses that restrict the disclosure of cybersecurity incidents, conflicting with state law. H.B. 5331 would ensure that public entities are not restricted from their legal obligations by clarifying that any language in a cybersecurity insurance contract that would hinder state agencies or local governments is void and unenforceable.

H.B. 5331 amends current law relating to the content of certain contracts entered into by governmental entities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2054.603, Government Code, by adding Subsection (e) to provide that contract language in a cybersecurity insurance contract or other contract for goods or services prohibiting or restricting a state agency's or local government's compliance with this section or otherwise circumventing the requirements of this section is void and unenforceable.

SECTION 2. Amends Section 2252.909, Government Code, as added by Chapter 1008 (H.B. 2518), Acts of the 88th Legislature, Regular Session, 2023, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Creates an exception under Subsection (b-1).

(b-1) Requires that the requirement that a lease contain a term requiring notice of commencement to a governmental entity under Subsection (b)(2) (relating to providing a notice of commencement meeting certain criteria to a governmental entity) does not apply to a lease between an institution of higher education, as defined by Section 61.003 (Donation of Reimbursement), Education Code, and another person regarding public property.

SECTION 3. Provides that Section 2054.603(e), Government Code, as added by this Act, is intended to clarify rather than change existing law.

SECTION 4. Makes application of Section 2252.909, Government Code, as amended by this Act, prospective to September 1, 2025.

SECTION 5. Effective date: upon passage or September 1, 2025.