

1 SENATE BILL NO. 50  
2 INTRODUCED BY D. BARTEL  
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING STATE AGENCIES AND THIRD PARTIES TO  
6 REPORT SECURITY INCIDENTS; DEFINING "CHIEF INFORMATION SECURITY OFFICER" AND  
7 "SECURITY INCIDENT"; AND AMENDING SECTIONS 2-6-1501, 2-6-1502, AND 2-6-1503, MCA."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10  
11 NEW SECTION. Section 1. Immediate notification. On discovery or notification of a security  
12 incident, a state agency shall provide immediate notification without unreasonable delay to the chief information  
13 security officer.

14  
15 **Section 2.** Section 2-6-1501, MCA, is amended to read:

16 **"2-6-1501. Definitions.** As used in this part, the following definitions apply:

17 (1) "Breach of the security of a data system" or "breach" means the unauthorized acquisition of  
18 computerized data that:

19 (a) materially compromises the security, confidentiality, or integrity of the personal information  
20 maintained by a state agency or by a third party on behalf of a state agency; and

21 (b) causes or is reasonably believed to cause loss or injury to a person.

22 (2) "Chief information security officer" means an employee at the department of administration  
23 designated by the chief information officer who is responsible for protecting the state's information assets and  
24 citizens' data by:

25 (a) advising and overseeing information security strategy and programs for executive branch state  
26 agencies without elected officials; and

27 (b) advising and consulting information security strategy and programs for executive branch state  
28 agencies with elected officials and the legislative and judicial branches; and

1 (c) advising information security strategy and programs for city, county, consolidated city-county,  
2 and local governments and for school districts, other political subdivisions, or tribal governments.

3 ~~(2)~~(3) "Individual" means a human being.

4 ~~(3)~~(4) "Person" means an individual, a partnership, a corporation, an association, or a public  
5 organization of any character.

6 ~~(4)~~(5) (a) "Personal information" means a first name or first initial and last name in combination  
7 with any one or more of the following data elements when the name and data elements are not encrypted:

8 (i) a social security number;

9 (ii) a driver's license number, an identification card number issued pursuant to 61-12-501, a tribal  
10 identification number or enrollment number, or a similar identification number issued by any state, the District of  
11 Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or American Samoa;

12 (iii) an account number or credit or debit card number in combination with any required security  
13 code, access code, or password that would permit access to a person's financial account;

14 (iv) medical record information as defined in 33-19-104;

15 (v) a taxpayer identification number; or

16 (vi) an identity protection personal identification number issued by the United States internal  
17 revenue service.

18 (b) The term does not include publicly available information from federal, state, local, or tribal  
19 government records.

20 ~~(5)~~(6) "Redaction" means the alteration of personal information contained within data to make all or a  
21 significant part of the data unreadable. The term includes truncation, which means that no more than the last  
22 four digits of an identification number are accessible as part of the data.

23 (7) "Security incident" means an occurrence that:

24 (a) actually or potentially jeopardizes the confidentiality, integrity, or availability of an information  
25 system or the information the system processes, stores, or transmits; or

26 (b) constitutes a violation or imminent threat of violation of security policies, security procedures, or  
27 acceptable use policies.

28 ~~(6)~~(8) (a) "State agency" means an agency, authority, board, bureau, college, commission,

1 committee, council, department, hospital, institution, office, university, or other instrumentality of the legislative  
2 or executive branch of state government. The term includes an employee of a state agency acting within the  
3 course and scope of employment.

4 (b) The term does not include an entity of the judicial branch.

5 ~~(7)~~(9) "Third party" means:

6 (a) a person with a contractual obligation to perform a function for a state agency; or

7 (b) a state agency with a contractual or other obligation to perform a function for another state  
8 agency."

9

10 **Section 3.** Section 2-6-1502, MCA, is amended to read:

11 **"2-6-1502. Protection of personal information -- compliance -- extensions.** (1) Each state agency  
12 that maintains the personal information of an individual shall develop procedures to protect the personal  
13 information while enabling the state agency to use the personal information as necessary for the performance  
14 of its duties under federal or state law.

15 (2) The procedures must include measures to:

16 (a) eliminate the unnecessary use of personal information;

17 (b) identify the person or state agency authorized to have access to personal information;

18 (c) restrict access to personal information by unauthorized persons or state agencies;

19 (d) identify circumstances in which redaction of personal information is appropriate;

20 (e) dispose of documents that contain personal information in a manner consistent with other  
21 record retention requirements applicable to the state agency;

22 (f) eliminate the unnecessary storage of personal information on portable devices; and

23 (g) protect data containing personal information if that data is on a portable device.

24 (3) Except as provided in subsection (4), each state agency that is created after October 1, 2015,  
25 shall complete the requirements of this section within 1 year of its creation.

26 (4) The chief information officer provided for in 2-17-511 may grant an extension to any state  
27 agency subject to the provisions of the Montana Information Technology Act provided for in Title 2, chapter 17,  
28 part 5. The chief information officer shall inform ~~the information technology board~~ the governor, the office of