

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

HOUSE BILL NO. 1088
(Government and Veterans Affairs Committee)
(At the request of the Office of Management and Budget)

AN ACT to create and enact a new section to chapter 32-12.2 of the North Dakota Century Code, relating to data breach response and remediation costs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 32-12.2 of the North Dakota Century Code is created and enacted as follows:

Data breach response and remediation costs.

The director of the office of management and budget may pay from the risk management fund costs necessary for notification and remediation following a data breach involving a state entity. The director of the office of management and budget, in consultation with the information technology department and the state entity involved, shall determine what measures are to be taken under this section. Expenditures under this section are limited to two hundred fifty thousand dollars per incident and may be made only to the extent the risk management fund can continue to meet current and future liability obligations and the response and remediation costs are not covered through insurance. The director may purchase insurance and approve the purchase of insurance by state entities to cover data breach response and remediation costs. Each state entity shall contribute the appropriate share of its costs under this section as determined by the director.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1088.

House Vote: Yeas 91 Nays 1 Absent 2

Senate Vote: Yeas 46 Nays 0 Absent 1

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State