Sixty-fifth Legislative Assembly of North Dakota

## **HOUSE BILL NO. 1088**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

- 1 A BILL for an Act to create and enact a new section to chapter 32-12.2 of the North Dakota
- 2 Century Code, relating to data breach response and remediation costs.

## 3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 4 **SECTION 1.** A new section to chapter 32-12.2 of the North Dakota Century Code is created and enacted as follows:
- 6 <u>Data breach response and remediation costs.</u>
- 7 The director of the office of management and budget may pay from the risk management
- 8 <u>fund costs necessary for notification and remediation following a data breach involving a state</u>
- 9 entity. The director of the office of management and budget, in consultation with the information
- 10 technology department and the state entity involved, shall determine what measures are to be
- 11 taken under this section. Expenditures under this section are limited to two hundred fifty
- 12 thousand dollars per incident and may be made only to the extent the risk management fund
- 13 can continue to meet current and future liability obligations and the response and remediation
- 14 costs are not covered through insurance. The director may purchase insurance and approve the
- 15 purchase of insurance by state entities to cover data breach response and remediation costs.
- 16 Each state entity shall contribute the appropriate share of its costs under this section as
- 17 determined by the director.