

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
5 and enacted as follows:

6 **Data breach response and remediation costs.**

7 The director of the office of management and budget may pay from the risk management
8 fund costs necessary for notification and remediation following a data breach involving a state
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.