The original instrument was prepared by LG Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Alan Miller.

DIGEST 2022 Regular Session

Milligan

Proposed law creates the "Transparency in Ownership of Critical Infrastructure Law".

<u>Proposed law</u> defines the following terms:

SB 472 Engrossed

- (1) "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.
- (2) "Critical infrastructure" means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.
- (3) "Cybersecurity" means the measures taken to protect a computer, computer network, computer system, or other technology infrastructure against unauthorized use or access.
- (4) "Designated country" means a country designated by the governor as a threat to critical infrastructure pursuant to <u>proposed law</u>.
- (5) "Governmental entity" means a state agency or political subdivision of this state.

<u>Proposed law</u> prohibits a governmental entity from entering into a contract or other agreement relating to critical infrastructure in this state with a company if, under the contract or other agreement, the company would be granted direct or remote access to or control of critical infrastructure in this state, excluding access specifically allowed by the governmental entity for product warranty and support purposes under any of the following circumstances:

- (1) The governmental entity knows that the company is owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or a designated country.
- (2) The governmental entity knows that the company or other entity, including a governmental entity, is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country.
- (3) The governmental entity knows that the company or other entity is headquartered in China, Iran, North Korea, Russia, or a designated country.

Proposed law applies regardless of whether the company's or its parent company's securities are

publicly traded or the company or its parent company is listed on a public stock exchange as a Chinese, Iranian, North Korean, or Russian company or a company of a designated country.

<u>Proposed law</u> authorizes the governor, after consultation with the director of the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), to designate a country as a threat to critical infrastructure for purposes of proposed law.

<u>Proposed law</u> requires the governor to consult the Senate and House select committees on homeland security, to assess a threat to critical infrastructure for purposes of making a designation under proposed law.

(Adds R.S. 51:3051-3054)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill

- 1. Narrows the scope of the definition of "critical infrastructure".
- 2. Removes provisions relative to reporting requirements.
- 3. Adds provisions prohibiting contracts or agreements relating to critical infrastructure with companies owned by individuals who are citizens of designated countries determined to be a threat to critical infrastructure.
- 4. Designates China, Iran, North Korea, and Russia as countries that are a threat to critical infrastructure.
- 5. Allows the governor to add countries deemed to be a threat to critical infrastructure after consultation with the director of GOHSEP.
- 6. Requires the governor to consult with the Senate and House committees on homeland security to assess threats to critical infrastructure.