

RÉSUMÉ DIGEST

ACT 766 (SB 472)

2022 Regular Session

Milligan

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

New law defines the following terms:

- (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 new law.
- (5) "Governmental entity" means a state agency or political subdivision of this state.

New law 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.

New 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.

New law 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 new law.

New law 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 new law.

Effective June 18, 2022.

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