

SENATE BILL No. 632

October 17, 2017, Introduced by Senator BOOHER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 466.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 466. (1) THE CYBERSECURITY COUNCIL IS CREATED WITHIN THE
2 DEPARTMENT.

3 (2) THE CYBERSECURITY COUNCIL SHALL CONSIST OF THE FOLLOWING
4 11 MEMBERS:

5 (A) THE DIRECTOR OF THE DEPARTMENT OR HIS OR HER DESIGNEE.

6 (B) THE DIRECTOR OF THE DEPARTMENT OF TALENT AND ECONOMIC
7 DEVELOPMENT OR HIS OR HER DESIGNEE.

8 (C) THE DIRECTOR OF THE DEPARTMENT OF STATE POLICE OR HIS OR
9 HER DESIGNEE.

10 (D) THE DIRECTOR OF THE DEPARTMENT OF MILITARY AND VETERANS

1 AFFAIRS OR HIS OR HER DESIGNEE.

2 (E) THE CHIEF EXECUTIVE OFFICER OF THE MICHIGAN ECONOMIC
3 DEVELOPMENT CORPORATION OR HIS OR HER DESIGNEE.

4 (F) SIX MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

5 (i) ONE REPRESENTING THE INTERESTS OF INSTITUTIONS OF HIGHER
6 EDUCATION.

7 (ii) ONE REPRESENTING THE INTERESTS OF COMMUNITY COLLEGES.

8 (iii) ONE REPRESENTING THE INTERESTS OF THE BUSINESS COMMUNITY
9 WITH KNOWLEDGE OR EXPERIENCE IN HOSPITAL OPERATIONS.

10 (iv) ONE REPRESENTING THE INTERESTS OF THE BUSINESS COMMUNITY
11 WITH KNOWLEDGE OR EXPERIENCE IN RETAIL OPERATIONS.

12 (v) ONE REPRESENTING THE INTERESTS OF THE BUSINESS COMMUNITY
13 WITH KNOWLEDGE OR EXPERIENCE IN FINANCE.

14 (vi) ONE REPRESENTING THE INTERESTS OF THE BUSINESS COMMUNITY
15 WITH KNOWLEDGE OR EXPERIENCE IN GENERAL BUSINESS.

16 (3) THE MEMBERS FIRST APPOINTED TO THE CYBERSECURITY COUNCIL
17 SHALL BE APPOINTED WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE
18 AMENDATORY ACT THAT ADDED THIS SECTION.

19 (4) MEMBERS OF THE CYBERSECURITY COUNCIL SHALL SERVE FOR TERMS
20 OF 4 YEARS OR UNTIL A SUCCESSOR IS APPOINTED, WHICHEVER IS LATER,
21 EXCEPT THAT OF THE MEMBERS FIRST APPOINTED UNDER SUBSECTION (2) (F),
22 2 SHALL SERVE FOR 2 YEARS, 2 SHALL SERVE FOR 3 YEARS, AND 2 SHALL
23 SERVE FOR 4 YEARS.

24 (5) IF A VACANCY OCCURS ON THE CYBERSECURITY COUNCIL, THE
25 GOVERNOR SHALL MAKE AN APPOINTMENT FOR THE UNEXPIRED TERM IN THE
26 SAME MANNER AS THE ORIGINAL APPOINTMENT.

27 (6) THE GOVERNOR MAY REMOVE A MEMBER OF THE CYBERSECURITY

1 COUNCIL FOR INCOMPETENCE, DERELICTION OF DUTY, MALFEASANCE,
2 MISFEASANCE, OR NONFEASANCE IN OFFICE, OR ANY OTHER GOOD CAUSE.

3 (7) THE FIRST MEETING OF THE CYBERSECURITY COUNCIL SHALL BE
4 CALLED BY THE GOVERNOR. AT THE FIRST MEETING, THE CYBERSECURITY
5 COUNCIL SHALL ELECT FROM AMONG ITS MEMBERS A CHAIRPERSON AND OTHER
6 OFFICERS AS IT CONSIDERS NECESSARY OR APPROPRIATE. AFTER THE FIRST
7 MEETING, THE CYBERSECURITY COUNCIL SHALL MEET AT LEAST QUARTERLY,
8 OR MORE FREQUENTLY AT THE CALL OF THE CHAIRPERSON OR IF REQUESTED
9 BY 6 OR MORE MEMBERS.

10 (8) A MAJORITY OF THE MEMBERS OF THE CYBERSECURITY COUNCIL
11 CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF
12 THE CYBERSECURITY COUNCIL. A MAJORITY OF THE MEMBERS PRESENT AND
13 SERVING ARE REQUIRED FOR OFFICIAL ACTION OF THE CYBERSECURITY
14 COUNCIL.

15 (9) THE BUSINESS THAT THE CYBERSECURITY COUNCIL MAY PERFORM
16 SHALL BE CONDUCTED AT A PUBLIC MEETING OF THE CYBERSECURITY COUNCIL
17 HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL
18 15.261 TO 15.275.

19 (10) THE FOLLOWING RECORDS ARE EXEMPT FROM DISCLOSURE UNDER
20 THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246:

21 (A) RECORDS OR INFORMATION OF MEASURES DESIGNED TO PROTECT THE
22 SECURITY OR SAFETY OF PERSONS OR PROPERTY, OR THE CONFIDENTIALITY,
23 INTEGRITY, OR AVAILABILITY OF INFORMATION SYSTEMS, WHETHER PUBLIC
24 OR PRIVATE, INCLUDING, BUT NOT LIMITED TO, BUILDING, PUBLIC WORKS,
25 AND PUBLIC WATER SUPPLY DESIGNS TO THE EXTENT THAT THOSE DESIGNS
26 RELATE TO THE ONGOING SECURITY MEASURES OF A PUBLIC BODY,
27 CAPABILITIES AND PLANS FOR RESPONDING TO A VIOLATION OF THE

1 MICHIGAN ANTI-TERRORISM ACT, CHAPTER LXXXIII-A OF THE MICHIGAN
2 PENAL CODE, 1931 PA 328, MCL 750.543A TO 750.543Z, EMERGENCY
3 RESPONSE PLANS, RISK-PLANNING DOCUMENTS, THREAT ASSESSMENTS, AND
4 DOMESTIC PREPAREDNESS STRATEGIES, AND CYBERSECURITY PLANS,
5 CYBERSECURITY ASSESSMENTS, OR CYBERSECURITY VULNERABILITIES, UNLESS
6 DISCLOSURE WOULD NOT IMPAIR A PUBLIC BODY'S ABILITY TO PROTECT THE
7 SECURITY OR SAFETY OF PERSONS OR PROPERTY OR UNLESS THE PUBLIC
8 INTEREST IN DISCLOSURE OUTWEIGHS THE PUBLIC INTEREST IN
9 NONDISCLOSURE IN THE PARTICULAR INSTANCE.

10 (B) INFORMATION THAT WOULD IDENTIFY OR PROVIDE A MEANS OF
11 IDENTIFYING A PERSON THAT MAY, AS A RESULT OF DISCLOSURE OF THE
12 INFORMATION, BECOME A VICTIM OF A CYBERSECURITY INCIDENT OR THAT
13 WOULD DISCLOSE A PERSON'S CYBERSECURITY PLANS OR CYBERSECURITY-
14 RELATED PRACTICES, PROCEDURES, METHODS, RESULTS, ORGANIZATIONAL
15 INFORMATION SYSTEM INFRASTRUCTURE, HARDWARE, OR SOFTWARE.

16 (11) MEMBERS OF THE CYBERSECURITY COUNCIL SHALL SERVE WITHOUT
17 COMPENSATION. HOWEVER, MEMBERS OF THE CYBERSECURITY COUNCIL MAY BE
18 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE
19 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE
20 CYBERSECURITY COUNCIL.

21 (12) THE CYBERSECURITY COUNCIL MAY REQUEST THE ASSISTANCE OF
22 STATE AGENCIES, DEPARTMENTS, OR OFFICES TO CARRY OUT ITS DUTIES.

23 (13) NOT LATER THAN DECEMBER 1 OF EACH YEAR, THE CYBERSECURITY
24 COUNCIL SHALL SUBMIT THE REPORT DESCRIBED IN SUBSECTION (14) FOR
25 THE IMMEDIATELY PRECEDING FISCAL YEAR TO ALL OF THE FOLLOWING:

26 (A) THE DIRECTOR OF THE DEPARTMENT.

27 (B) THE GOVERNOR.

1 (C) THE LIEUTENANT GOVERNOR.

2 (D) THE MAJORITY LEADER OF THE SENATE.

3 (E) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

4 (F) THE SENATE STANDING COMMITTEE THAT HAS JURISDICTION OF
5 CYBERSECURITY MATTERS.

6 (G) THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE THAT HAS
7 JURISDICTION OF CYBERSECURITY MATTERS.

8 (14) EACH YEAR, THE CYBERSECURITY COUNCIL SHALL ISSUE A REPORT
9 DETAILING ITS ACTIVITIES FOR THE FISCAL YEAR THAT INCLUDES, BUT IS
10 NOT LIMITED TO, ALL OF THE FOLLOWING:

11 (A) IMPROVING THE INFRASTRUCTURE OF THIS STATE'S CYBERSECURITY
12 OPERATIONS WITH EXISTING RESOURCES AND THROUGH PARTNERSHIPS BETWEEN
13 GOVERNMENT, BUSINESS, AND INSTITUTIONS OF HIGHER EDUCATION.

14 (B) EXAMINING SPECIFIC ACTIONS TO ACCELERATE THE GROWTH OF
15 CYBERSECURITY AS AN INDUSTRY IN THIS STATE.

16 (15) THE CYBERSECURITY COUNCIL SHALL CREATE AND OPERATE A
17 VOLUNTARY PROGRAM THAT RECOGNIZES PRIVATE AND PUBLIC ENTITIES
18 FUNCTIONING WITH EXEMPLARY CYBERSECURITY PRACTICES AS DETERMINED BY
19 THE CYBERSECURITY COUNCIL. THE VOLUNTARY PROGRAM SHALL DO ALL OF
20 THE FOLLOWING:

21 (A) ESTABLISH MINIMUM PROTECTIONS FOR RECOGNITION IN THE
22 VOLUNTARY PROGRAM.

23 (B) ESTABLISH AN ANNUAL REVIEW OF THE MINIMUM PROTECTIONS
24 DESCRIBED IN SUBDIVISION (A).

25 (16) AS USED IN THIS SECTION:

26 (A) "CYBERSECURITY ASSESSMENT" MEANS AN INVESTIGATION
27 UNDERTAKEN BY A PERSON, GOVERNMENTAL BODY, OR OTHER ENTITY TO

1 IDENTIFY VULNERABILITIES IN CYBERSECURITY PLANS.

2 (B) "CYBERSECURITY INCIDENT" INCLUDES, BUT IS NOT LIMITED TO,
3 A COMPUTER NETWORK INTRUSION OR ATTEMPTED INTRUSION; A BREACH OF
4 PRIMARY COMPUTER NETWORK CONTROLS; UNAUTHORIZED ACCESS TO PROGRAMS,
5 DATA, OR INFORMATION CONTAINED IN A COMPUTER SYSTEM; OR ACTIONS BY
6 A THIRD PARTY THAT MATERIALLY AFFECT COMPONENT PERFORMANCE OR,
7 BECAUSE OF IMPACT TO COMPONENT SYSTEMS, PREVENT NORMAL COMPUTER
8 SYSTEM ACTIVITIES.

9 (C) "CYBERSECURITY PLAN" INCLUDES, BUT IS NOT LIMITED TO,
10 INFORMATION ABOUT A PERSON'S INFORMATION SYSTEMS, NETWORK SECURITY,
11 ENCRYPTION, NETWORK MAPPING, ACCESS CONTROL, PASSWORDS,
12 AUTHENTICATION PRACTICES, COMPUTER HARDWARE OR SOFTWARE, OR
13 RESPONSE TO CYBERSECURITY INCIDENTS.

14 (D) "CYBERSECURITY VULNERABILITY" MEANS A DEFICIENCY WITHIN
15 COMPUTER HARDWARE OR SOFTWARE, OR WITHIN A COMPUTER NETWORK OR
16 INFORMATION SYSTEM, THAT COULD BE EXPLOITED BY UNAUTHORIZED PARTIES
17 FOR USE AGAINST AN INDIVIDUAL COMPUTER USER OR A COMPUTER NETWORK
18 OR INFORMATION SYSTEM.

19 Enacting section 1. This amendatory act does not take effect
20 unless Senate Bill No. 633

21 of the 99th Legislature is enacted into law.