Requested by JOINT COMMITTEE ON INFORMATION MANAGEMENT AND TECHNOLOGY

PROPOSED AMENDMENTS TO
HOUSE BILL 3936

1   On page 1 of the printed bill, line 2, after "276A.340," insert "276A.344,".

2   Delete lines 4 through 28 and delete pages 2 and 3 and insert:

3   **"SECTION 1.** ORS 276A.340 is amended to read:

4   "276A.340. As used in ORS 276A.340 to 276A.344:

5   "**(1) 'Artificial intelligence' means a machine-based system that is**

6   **capable, for a given set of human-defined objectives, of making pre-**

7   **dictions, recommendations or decisions influencing real or virtual en-**

8   **vironments and uses machine- or human-based inputs to:**

9   **"(a) Perceive real or virtual environments;**

10   **"(b) Abstract the perceptions into models through analysis in an**

11   **automated manner; and**

12   **"(c) Use model inference to formulate options for information or**

13   **action.**

14   "[*(1)*] **(2)** 'Covered product' means**:**

15   **"(a)** Any form of hardware, software or service provided by a covered

16   vendor.

17   **"(b) Any hardware, software or service that uses artificial intelli-**

18   **gence and the artificial intelligence is developed or owned by a covered**

19   **vendor.**

20   "[*(2)*] **(3)** 'Covered vendor' means any of the following corporate entities,

21   or any parent, subsidiary, affiliate or successor entity of the following cor-

1 porate entities:

2 "(a) Ant Group Co., Limited.

3 "(b) ByteDance Limited.

4 "(c) Huawei Technologies Company Limited.

5 "(d) Kaspersky Lab.

6 "(e) Tencent Holdings Limited.

7 "(f) ZTE Corporation.

8 "(g) Any other corporate entity designated a covered vendor by the State

9 Chief Information Officer under ORS 276A.344.

10 "[*(3)*] **(4)** 'State agency' means any board, commission, department, divi-

11 sion, office or other entity of state government, as defined in ORS 174.111,

12 except that state government does not include the Secretary of State or State

13 Treasurer.

14 "[*(4)*] **(5)** 'State information technology asset' means any form of hard-

15 ware, software or service for data processing, office automation or telecom-

16 munications used directly by a state agency or used to a significant extent

17 by a contractor in the performance of a contract with a state agency.

18 **"SECTION 2.** ORS 276A.344 is amended to read:

19 "276A.344. (1) The State Chief Information Officer shall adopt:

20 "(a) Rules pertaining to the designation of a corporate entity as a covered

21 vendor under ORS 276A.340 [*(2)(g)*] **(3)(g)**; and

22 "(b) Policies and standards for state agencies to implement the provisions

23 of ORS 276A.342.

24 "(2) The rules adopted under this section must include:

25 "(a) The definition of 'national security threat' for purposes of protecting

26 state information technology assets;

27 "(b) Criteria and a process for determining when a corporate entity poses

28 a national security threat; and

29 "(c) Criteria and a process for determining when a corporate entity no

30 longer poses a national security threat.

1 "(3) The policies and standards adopted under this section must include:

2 "(a) The procedures for providing state agencies, the Secretary of State

3 and the State Treasurer notice that a corporate entity is designated or no

4 longer designated a covered vendor under ORS 276A.340 [*(2)(g)*] **(3)(g)**;

5 "(b) The time schedules for implementing the requirements under ORS

6 276A.342 with regard to a corporate entity that is designated a covered ven-

7 dor by the State Chief Information Officer; and

8 "(c) The time schedules for incorporating the requirements under ORS

9 276A.342 into a state agency's information security plans, standards or

10 measures.

11 "**SECTION 3.** ORS 276A.346 is amended to read:

12 "276A.346. (1) As used in this section:

13 "**(a) 'Artificial intelligence' means a machine-based system that is**

14 **capable, for a given set of human-defined objectives, of making pre-**

15 **dictions, recommendations or decisions influencing real or virtual en-**

16 **vironments and uses machine- or human-based inputs to:**

17 "**(A) Perceive real or virtual environments;**

18 "**(B) Abstract the perceptions into models through analysis in an**

19 **automated manner; and**

20 "**(C) Use model inference to formulate options for information or**

21 **action.**

22 "[*(a)*] **(b)** 'Covered product' means**:**

23 "**(A) Any form of hardware, software or service provided by a covered**

24 **vendor.**

25 "**(B) Any hardware, software or service that uses artificial intelli-**

26 **gence and the artificial intelligence is developed or owned by a covered**

27 **vendor.**

28 "[*(b)*] **(c)** 'Covered vendor' means any of the following corporate entities,

29 or any parent, subsidiary, affiliate or successor entity of the following cor-

30 porate entities:

1 "(A) Ant Group Co., Limited.

2 "(B) ByteDance Limited.

3 "(C) Huawei Technologies Company Limited.

4 "(D) Kaspersky Lab.

5 "(E) Tencent Holdings Limited.

6 "(F) ZTE Corporation.

7 "[*(c)*] **(d)** 'State information technology asset' means any form of hard-

8 ware, software or service for data processing, office automation or telecom-

9 munications used directly by the office of the Secretary of State or used to

10 a significant extent by a contractor in the performance of a contract with

11 the office of the Secretary of State.

12 "(2) Except as provided in subsection (4) of this section, the Secretary of

13 State shall:

14 "(a) Prohibit a covered product from being:

15 "(A) Installed or downloaded onto a state information technology asset;

16 or

17 "(B) Used or accessed by a state information technology asset;

18 "(b) Remove any covered product that is installed or downloaded onto a

19 state information technology asset; and

20 "(c) Implement all measures necessary to prevent the:

21 "(A) Installation or download of a covered product onto a state informa-

22 tion technology asset; or

23 "(B) Use or access of a covered product by a state information technology

24 asset.

25 "(3) For any corporate entity that the State Chief Information Officer

26 designates as a covered vendor under ORS 276A.344, the secretary may:

27 "(a) Prohibit a covered product from being:

28 "(A) Installed or downloaded onto a state information technology asset;

29 or

30 "(B) Used or accessed by a state information technology asset;

1   "(b) Remove any covered product that is installed or downloaded onto a

2   state information technology asset; and

3   "(c) Implement all measures necessary to prevent the:

4   "(A) Installation or download of a covered product onto a state informa-

5   tion technology asset; or

6   "(B) Use or access of a covered product by a state information technology

7   asset.

8   "(4) If the secretary adopts risk mitigation standards and procedures re-

9   lated to the installation, download, use or access of a covered product, the

10   secretary may, for investigatory, regulatory or law enforcement purposes,

11   permit the:

12   "(a) Installation or download of the covered product onto a state infor-

13   mation technology asset; or

14   "(b) Use or access of the covered product by a state information technol-

15   ogy asset.

16   **"SECTION 4.** ORS 276A.348 is amended to read:

17   "276A.348. (1) As used in this section:

18   **"(a) 'Artificial intelligence' means a machine-based system that is**

19   **capable, for a given set of human-defined objectives, of making pre-**

20   **dictions, recommendations or decisions influencing real or virtual en-**

21   **vironments and uses machine- or human-based inputs to:**

22   **"(A) Perceive real or virtual environments;**

23   **"(B) Abstract the perceptions into models through analysis in an**

24   **automated manner; and**

25   **"(C) Use model inference to formulate options for information or**

26   **action.**

27   "[*(a)*] **(b)** 'Covered product' means**:**

28   **"(A)** Any form of hardware, software or service provided by a covered

29   vendor.

30   **"(B) Any hardware, software or service that uses artificial intelli-**

1 **gence and the artificial intelligence is developed or owned by a covered**

2 **vendor.**

3 "[*(b)*] **(c)** 'Covered vendor' means any of the following corporate entities,

4 or any parent, subsidiary, affiliate or successor entity of the following cor-

5 porate entities:

6 "(A) Ant Group Co., Limited.

7 "(B) ByteDance Limited.

8 "(C) Huawei Technologies Company Limited.

9 "(D) Kaspersky Lab.

10 "(E) Tencent Holdings Limited.

11 "(F) ZTE Corporation.

12 "[*(c)*] **(d)** 'State information technology asset' means any form of hard-

13 ware, software or service for data processing, office automation or telecom-

14 munications used directly by the office of the State Treasurer or used to a

15 significant extent by a contractor in the performance of a contract with the

16 office of the State Treasurer.

17 "(2) Except as provided in subsection (4) of this section, the State Treas-

18 urer shall:

19 "(a) Prohibit a covered product from being:

20 "(A) Installed or downloaded onto a state information technology asset;

21 or

22 "(B) Used or accessed by a state information technology asset;

23 "(b) Remove any covered product that is installed or downloaded onto a

24 state information technology asset; and

25 "(c) Implement all measures necessary to prevent the:

26 "(A) Installation or download of a covered product onto a state informa-

27 tion technology asset; or

28 "(B) Use or access of a covered product by a state information technology

29 asset.

30 "(3) For any corporate entity that the State Chief Information Officer

1 designates as a covered vendor under ORS 276A.344, the State Treasurer may:

2 "(a) Prohibit a covered product from being:

3 "(A) Installed or downloaded onto a state information technology asset;

4 or

5 "(B) Used or accessed by a state information technology asset;

6 "(b) Remove any covered product that is installed or downloaded onto a

7 state information technology asset; and

8 "(c) Implement all measures necessary to prevent the:

9 "(A) Installation or download of a covered product onto a state informa-

10 tion technology asset; or

11 "(B) Use or access of a covered product by a state information technology

12 asset.

13 "(4) If the State Treasurer adopts risk mitigation standards and proce-

14 dures related to the installation, download, use or access of a covered prod-

15 uct, the State Treasurer may, for investigatory, regulatory or law

16 enforcement purposes, permit the:

17 "(a) Installation or download of the covered product onto a state infor-

18 mation technology asset; or

19 "(b) Use or access of the covered product by a state information technol-

20 ogy asset.".

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