

(Reprinted with amendments adopted on April 8, 2015)

FIRST REPRINT

S.B. 72

## SENATE BILL NO. 72—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DIVISION OF ENTERPRISE  
INFORMATION TECHNOLOGY SERVICES)

PREFILED DECEMBER 20, 2014

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to the Division of  
Enterprise Information Technology Services of the  
Department of Administration. (BDR 19-310)FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to information technology; amending the composition and responsibilities of the Division; providing that the Administrator of the Division is the Chief Information Officer of the State; providing that certain policies, standards, guidelines and procedures set forth by the Administrator apply to the Nevada Criminal Justice Information System; amending the membership and duties of the Information Technology Advisory Board; requiring the Department of Public Safety to use the services and equipment of the Division; authorizing the Administrator to accept any money from a public or private source for deposit into the Fund for Information Services; making various other changes relating to the Division; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law creates the Division of Enterprise Information Technology
- 2 Services of the Department of Administration to provide various information
- 3 services, systems and technology to certain state officers and agencies. (NRS
- 4 242.080, 242.131) The Division consists of: (1) the Administrator of the Division;
- 5 (2) the Enterprise Application Services Unit; (3) the Communication and
- 6 Computing Unit; and (4) the Office of Information Security. **Section 3** of this bill:
- 7 (1) eliminates the Enterprise Application Services Unit, the Communication and



\* S B 7 2 R 1 \*

Computing Unit and the Office of Information Security; and (2) provides that the Division consists of the Administrator and such other personnel employed by the Administrator. **Sections 5, 14-16, 18, 20-26, 28 and 29** of this bill make conforming changes.

**Sections 4 and 19** of this bill provide that the Administrator is the Chief Information Officer of the State.

Existing law requires the Administrator to adopt regulations and develop certain policies, standards, guidelines and procedures relating to information systems of the Executive Branch of Government other than the Nevada System of Higher Education and the Nevada Criminal Justice Information System. (NRS 242.111, 242.115) **Sections 6 and 7** of this bill provide that such regulations, policies, standards, guidelines and procedures apply to the Nevada Criminal Justice Information System.

Existing law creates the Information Technology Advisory Board and sets forth the duties of the Board, which include reviewing the Division's standards manual for information technology. (NRS 242.122, 242.124) **Section 8** of this bill revises the membership of the Board. **Section 10** of this bill eliminates the requirement that the Board review the Division's standards manual and adds a requirement that the Board review the Division's guidelines to assist using agencies in the development of short-term and long-term plans for their information systems.

Existing law requires the Board to meet at least once every 3 months. (NRS 242.123) **Section 9** of this bill requires the Board to meet at least three times per calendar year.

Existing law provides, with limited exceptions, that all state agencies and elected state officers use the services and equipment of the Division for information systems. (NRS 242.131) **Section 11** of this bill requires the Department of Public Safety to use such services and equipment.

Existing law provides that all equipment of an agency or elected state officer which is owned or leased by the State must be under the control of the Division, with limited exceptions. (NRS 242.161) **Section 12** of this bill provides an additional exception if the equipment cannot be under the managerial control of the Division in order to comply with federal law.

**Section 13** of this bill provides that the Division is responsible for providing network servers, including, without limitation, mainframe computers, for agencies and officers that use the equipment and services of the Division.

Existing law requires any state agency or elected officer which uses the equipment or services of the Division to adhere to the regulations, standards, practices, policies and conventions of the Division. (NRS 242.161, 242.181) **Sections 12 and 14** of this bill provide that if a state agency or elected officer does not so adhere, the Administrator may prohibit the state agency or elected officer from using the equipment or services of the Division.

**Section 15** of this bill requires the Division to investigate and resolve any attempted breach, in addition to an actual breach, of an information system of a state agency or elected officer that uses the equipment or services of the Division.

Existing law creates the Fund for Information Services as an internal service fund. Money in the Fund must be used to pay all operating, maintenance, rental, repair and replacement costs of equipment and all salaries of personnel assigned to the Division. (NRS 242.211) **Section 17** of this bill authorizes the Administrator to accept grants, gifts, donations, bequests, devises or other money from a public or private source for deposit in the Fund.

Existing law: (1) provides that certain records which relate to homeland security and are maintained by the Division are confidential; and (2) requires the Administrator to maintain a list of such records and submit an annual report concerning such records to the Director of the Legislative Counsel Bureau. (NRS 242.105) **Sections 1 and 29** of this bill eliminate those provisions.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and  
NRS 1.4683, 1A.110, 49.095, 62D.420, 62D.440, 62E.516,  
62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 76.160,  
78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413,  
87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345,  
88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270,  
116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280,  
119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130,  
125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057,  
127.130, 127.140, 127.2817, 130.312, 159.044, 172.075, 172.245,  
176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801,  
178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179A.450,  
179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662,  
205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140,  
213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464,  
217.475, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350,  
228.270, 228.450, 228.495, 228.570, 231.069, 233.190, 237.300,  
239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140,  
239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020,  
241.030, ~~242.105,~~ 244.264, 244.335, 250.087, 250.130, 250.140,  
250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281A.350,  
281A.440, 281A.550, 284.4068, 286.110, 287.0438, 289.025,  
289.080, 289.387, 293.5002, 293.503, 293.558, 293B.135,  
293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070,  
338.1379, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205,  
353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255,  
360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 372A.080,  
378.290, 378.300, 379.008, 386.655, 387.626, 387.631, 388.5275,  
388.528, 388.5315, 388.750, 391.035, 392.029, 392.147, 392.264,  
392.271, 392.652, 392.850, 394.167, 394.1698, 394.447, 394.460,  
394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885,  
408.3886, 412.153, 416.070, 422.290, 422.305, 422A.320,  
422A.350, 425.400, 427A.1236, 427A.872, 432.205, 432B.175,  
432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 433.534,  
433A.360, 439.270, 439.840, 439B.420, 440.170, 441A.195,  
441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570,  
449.209, 449.245, 449.720, 453.1545, 453.720, 453A.610,  
453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555,  
459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403,  
463.3407, 463.790, 467.1005, 467.137, 481.063, 482.170, 482.5536,  
483.340, 483.363, 483.800, 484E.070, 485.316, 503.452, 522.040,



1 534A.031, 561.285, 571.160, 584.583, 584.655, 598.0964,  
2 598.0979, 598.098, 598A.110, 599B.090, 603.070, 603A.210,  
3 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350,  
4 618.341, 618.425, 622.310, 623.131, 623A.353, 624.110, 624.265,  
5 624.327, 625.425, 625A.185, 628.418, 629.069, 630.133,  
6 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125,  
7 632.405, 633.283, 633.301, 633.524, 634.212, 634.214, 634A.185,  
8 635.158, 636.107, 637.085, 637A.315, 637B.288, 638.087, 638.089,  
9 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400,  
10 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641A.191,  
11 641B.170, 641C.760, 642.524, 643.189, 644.446, 645.180, 645.625,  
12 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225,  
13 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320,  
14 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065,  
15 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133,  
16 669.275, 669.285, 669A.310, 671.170, 673.430, 675.380, 676A.340,  
17 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190,  
18 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.280,  
19 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110,  
20 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 692A.117,  
21 692C.190, 692C.420, 693A.480, 693A.615, 696B.550, 703.196,  
22 704B.320, 704B.325, 706.1725, 710.159, 711.600, sections 35, 38  
23 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of  
24 chapter 391, Statutes of Nevada 2013 and unless otherwise declared  
25 by law to be confidential, all public books and public records of a  
26 governmental entity must be open at all times during office hours to  
27 inspection by any person, and may be fully copied or an abstract or  
28 memorandum may be prepared from those public books and public  
29 records. Any such copies, abstracts or memoranda may be used to  
30 supply the general public with copies, abstracts or memoranda of the  
31 records or may be used in any other way to the advantage of the  
32 governmental entity or of the general public. This section does not  
33 supersede or in any manner affect the federal laws governing  
34 copyrights or enlarge, diminish or affect in any other manner the  
35 rights of a person in any written book or record which is  
36 copyrighted pursuant to federal law.

37 2. A governmental entity may not reject a book or record  
38 which is copyrighted solely because it is copyrighted.

39 3. A governmental entity that has legal custody or control of a  
40 public book or record shall not deny a request made pursuant to  
41 subsection 1 to inspect or copy or receive a copy of a public book or  
42 record on the basis that the requested public book or record  
43 contains information that is confidential if the governmental  
44 entity can redact, delete, conceal or separate the confidential



information from the information included in the public book or record that is not otherwise confidential.

4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

**Sec. 2.** NRS 242.071 is hereby amended to read as follows:

242.071 1. The Legislature hereby determines and declares that the creation of the Division of Enterprise Information Technology Services of the Department of Administration is necessary for the coordinated, orderly and economical processing of information in State Government, to ensure economical use of information systems and to prevent the unnecessary proliferation of equipment and personnel among the various state agencies.

2. The purposes of the Division are:

(a) To perform information services for state agencies ~~and~~, *as directed by the Governor.*

(b) To provide technical advice but not administrative control of the information systems within the state agencies and, as authorized, of local governmental agencies.

**Sec. 3.** NRS 242.080 is hereby amended to read as follows:

242.080 1. The Division of Enterprise Information Technology Services of the Department is hereby created.

2. The Division consists of the Administrator and ~~the:~~

~~—(a) Enterprise Application Services Unit.~~

~~—(b) Communication and Computing Unit.~~

~~—(c) Office of Information Security.~~

~~—3. A Communications Group and a Telecommunications Group are hereby created within the Communication and Computing Unit of the Division.]~~ *such other personnel employed by the Administrator to carry out the provisions of this chapter.*

**Sec. 4.** NRS 242.090 is hereby amended to read as follows:

242.090 1. The Director of the Department shall appoint the Administrator in the unclassified service of the State.

2. The Administrator:

(a) Serves at the pleasure of, and is responsible to, the Director of the Department.



(b) Shall not engage in any other gainful employment or occupation.

***(c) Is the Chief Information Officer of the State.***

**Sec. 5.** NRS 242.101 is hereby amended to read as follows:

242.101 1. The Administrator shall:

~~(a) Appoint the heads of the Enterprise Application Services Unit and the Communication and Computing Unit of the Division in the unclassified service of the State;~~

~~—(b) Appoint the Chief of the Office of Information Security who is in the classified service of the State;~~

~~—(c) Administer the provisions of this chapter and other provisions of law relating to the duties of the Division; and~~

~~[(d) Carry]~~

***(b) Appoint such personnel as necessary to carry*** out other duties and exercise other powers specified by law.

2. The Administrator may form committees to establish standards and determine criteria for evaluation of policies relating to informational services.

**Sec. 6.** NRS 242.111 is hereby amended to read as follows:

242.111 The Administrator shall adopt regulations necessary for the administration of this chapter, including:

1. The policy for the information systems of the Executive Branch of Government, excluding the Nevada System of Higher Education, ~~[and the Nevada Criminal Justice Information System,]~~ as that policy relates, but is not limited, to such items as standards for systems and programming and criteria for selection, location and use of information systems to meet the requirements of state agencies and officers at the least cost to the State;

2. The procedures of the Division in providing information services, which may include provision for the performance, by an agency which uses the services or equipment of the Division; ~~[- of preliminary procedures, such as data recording and verification, within the agency;]~~

3. The effective administration of the Division, including, without limitation, ***management of the state network and data centers,*** security to prevent unauthorized access to information systems and plans for the recovery of systems and applications after they have been disrupted;

4. The development of standards to ensure the security of the information systems of the Executive Branch of Government; and

5. Specifications and standards for the employment of all personnel of the Division.

**Sec. 7.** NRS 242.115 is hereby amended to read as follows:

242.115 1. Except as otherwise provided in subsection 2, the Administrator shall:



(a) Develop policies and standards for the information systems of the Executive Branch of Government;

(b) Coordinate the development of a biennial state plan for the information systems of the Executive Branch of Government;

(c) Develop guidelines to assist state agencies in the development of short- and long-term plans for their information systems; and

(d) Develop guidelines and procedures for the procurement and maintenance of the information systems of the Executive Branch of Government.

2. This section does not apply to the Nevada System of Higher Education . ~~{for the Nevada Criminal Justice Information System used to provide support for the operations of law enforcement agencies in this State.}~~

**Sec. 8.** NRS 242.122 is hereby amended to read as follows:

242.122 1. There is hereby created an Information Technology Advisory Board. The Board consists of:

(a) One member appointed by the Majority Floor Leader of the Senate from the membership of the Senate Standing Committee on Finance.

(b) One member appointed by the Speaker of the Assembly from the membership of the Assembly Standing Committee on Ways and Means.

(c) ~~{Two}~~ **Three** representatives of using agencies which are major users of ~~{the services of the Division. The Governor shall appoint the two representatives.}~~ **information technology appointed by the Governor.** Each such representative serves for a term of 4 years. For the purposes of this paragraph, an agency is a "major user" if it is among the top five users of ~~{the}~~ **information** services , ~~{of the Division,}~~ based on the amount of money paid by each agency for ~~{the}~~ **information** services ~~{of the Division}~~ during the immediately preceding biennium.

(d) The ~~{Director of the Department or his or her designee.~~

~~—(e) The Attorney General or his or her designee.~~

~~—(f) Five}~~ **Chief of the Budget Division of the Department.**

**(e) Three** persons appointed by the Governor as follows:

(1) ~~{Three persons}~~ **One person** who ~~{represent}~~ **represents** a city or county in this State ~~{, at least one of whom}~~ **and** is engaged in information technology or information security; and

(2) Two persons who represent the information technology industry but who:

(I) Are not employed by this State; **and**

(II) Do not hold any elected or appointed office in State Government . ~~{}~~



~~\_\_\_\_\_ (III) Do not have an existing contract or other agreement to provide information services, systems or technology to an agency of this State; and~~

~~\_\_\_\_\_ (IV) Are independent of and have no direct or indirect pecuniary interest in a corporation, association, partnership or other business organization which provides information services, systems or technology to an agency of this State.}~~

2. Each person appointed pursuant to paragraph ~~{(f)}~~ (e) of subsection 1 serves for a term of 4 years. No person so appointed may serve more than 2 consecutive terms.

3. At the first regular meeting of each calendar year, the members of the Board shall elect a Chair by majority vote.

**Sec. 9.** NRS 242.123 is hereby amended to read as follows:

242.123 1. The Board shall meet at least ~~once every 3 months}~~ *three times per calendar year* and may meet at such further times as deemed necessary by the Chair.

2. Members of the Board who are officers or employees of the Executive Department of State Government serve without additional compensation. Members who are not officers or employees of the Executive Department of State Government are entitled to a salary of \$80 for each day or part of a day spent on the business of the Board. All members of the Board are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

**Sec. 10.** NRS 242.124 is hereby amended to read as follows:

242.124 1. The Board shall:

(a) Advise the Division concerning issues relating to information technology, including, without limitation, the development, acquisition, consolidation and integration of, and policies, planning and standards for, information technology.

(b) Periodically review the Division's statewide strategic plans and ~~{standards manual for information technology.}~~ *guidelines to assist using agencies in the development of short-term and long-term plans for their information systems.*

(c) Review the Division's proposed budget before its submission to the Budget Division of the Department. ~~{of Administration.}~~

2. The Board may:

(a) With the consent of the Division, recommend goals and objectives for the Division, including periods and deadlines in which to achieve those goals and objectives.

(b) Upon request by a using agency, review issues and policies concerning information technology to resolve disputes with the Division.

(c) Review the plans for information technology of each using agency.





**Sec. 11.** NRS 242.131 is hereby amended to read as follows:

242.131 1. The Division shall provide state agencies and elected state officers with all their required design of information systems. All agencies and officers must use those services and equipment, except as otherwise provided in subsection 2 ~~and~~ **subsection 1 of NRS 242.181.**

2. The following agencies may negotiate with the Division for its services or the use of its equipment, subject to the provisions of this chapter, and the Division shall provide those services and the use of that equipment as may be mutually agreed:

(a) The Court Administrator;

(b) The Department of Motor Vehicles;

(c) ~~The Department of Public Safety;~~

~~—(d) The Department of Transportation;~~

~~(e)~~ (d) The Employment Security Division of the Department of Employment, Training and Rehabilitation;

~~(f)~~ (e) The Department of Wildlife;

~~(g)~~ (f) The Housing Division of the Department of Business and Industry;

~~(h)~~ (g) The Legislative Counsel Bureau;

~~(i)~~ (h) The State Controller;

~~(j)~~ (i) The State Gaming Control Board and Nevada Gaming Commission; and

~~(k)~~ (j) The Nevada System of Higher Education.

3. Any state agency or elected state officer **not described in subsection 2** who ~~uses the services of the Division and~~ desires to withdraw ~~substantially~~ from ~~that use~~ **receiving information services or information systems from the Division** must apply to the Administrator for approval. The application must set forth justification for the withdrawal. **The Administrator shall, in consultation with the Governor, determine whether to approve or deny the application.** If the Administrator denies the application, the agency or officer must:

(a) If the Legislature is in regular or special session, obtain the approval of the Legislature by concurrent resolution.

(b) If the Legislature is not in regular or special session, obtain the approval of the Interim Finance Committee. The Administrator shall, within 45 days after receipt of the application, forward the application together with his or her recommendation for approval or denial to the Interim Finance Committee. The Interim Finance Committee has 45 days after the application and recommendation are submitted to its Secretary within which to consider the application. Any application which is not considered by the Committee within the 45-day period shall be deemed approved.



4. If the demand for services or use of equipment exceeds the capability of the Division to provide them, the ~~{Division}~~ *Administrator* may *authorize a using agency to* contract with other agencies or independent contractors to furnish the required services or use of equipment . ~~{and}~~ *The using agency* is responsible for the administration of the contracts.

**Sec. 12.** NRS 242.161 is hereby amended to read as follows:

242.161 1. All equipment of an agency or elected state officer which is owned or leased by the State must be under the managerial control of the Division ~~{, except}~~ :

(a) *Except* the equipment of the agencies and officers specified in subsection 2 of NRS 242.131 ~~{, and subsection 1 of NRS 242.181; or~~

(b) *Except as otherwise required to comply with federal law.*

2. The Division may permit an agency which is required to use such equipment to operate it on the agency's premises.

**Sec. 13.** NRS 242.171 is hereby amended to read as follows:

242.171 1. The Division is responsible for:

(a) The applications of information systems;

(b) Designing and placing those information systems in operation;

(c) *Providing network servers, including, without limitation, mainframe computers;*

(d) Any application of an information system which it furnishes to state agencies and officers after negotiation; and

~~{(d)}~~ (e) The security validation, testing, including, without limitation, penetration testing, and continuous monitoring of information systems,

➤ for using agencies and for state agencies and officers which use the equipment or services of the Division pursuant to subsection 2 of NRS 242.131.

2. The Administrator shall review and approve or disapprove, pursuant to standards for justifying cost, any application of an information system having an estimated developmental cost of \$50,000 or more. No using agency may commence development work on any such applications until approval and authorization have been obtained from the Administrator.

3. As used in this section, "penetration testing" means a method of evaluating the security of an information system or application of an information system by simulating unauthorized access to the information system or application.

**Sec. 14.** NRS 242.181 is hereby amended to read as follows:

242.181 1. Any state agency or elected state officer which uses the equipment or services of the Division shall adhere to the regulations, standards, practices, policies and conventions of the



Division. *If any such state agency or elected officer does not adhere to the regulations, standards, practices, policies and conventions, the Administrator may prohibit the state agency or elected officer from using the equipment or services of the Division.*

2. Each state agency or elected state officer described in subsection 1 shall report any suspected incident of:

(a) Unauthorized access *or an attempt to gain unauthorized access* to an information system or application of an information system of the Division used by the state agency or elected state officer *or of an information system of the state agency or elected state officer*; and

(b) Noncompliance with the regulations, standards, practices, policies and conventions of the Division that is identified by the Division as security-related,

↳ to the ~~{Office of Information Security of the Division}~~ *Administrator, or his or her designee*, within 24 hours after discovery of the suspected incident. ~~{If the Office determines that an incident of unauthorized access or noncompliance occurred, the Office shall immediately report the incident to the Administrator.}~~

The Administrator *, or his or her designee*, shall assist in the investigation and resolution of any such incident.

3. The Division shall provide services to each state agency and elected state officer described in subsection 1 uniformly with respect to degree of service, priority of service, availability of service and cost of service.

**Sec. 15.** NRS 242.183 is hereby amended to read as follows:

242.183 1. The ~~{Chief of the Office of Information Security}~~ *Division* shall investigate and resolve any breach *or attempted breach* of an information system of a state agency or elected officer that uses the equipment or services of the Division or an application of such an information system or unauthorized acquisition of computerized data that materially compromises *or could have materially compromised* the security, confidentiality or integrity of such an information system.

2. The Administrator or ~~{Chief of the Office of Information Security, at}~~ his or her *designee, at the Administrator's* discretion, may inform members of the Technological Crime Advisory Board created by NRS 205A.040, the Nevada Commission on Homeland Security created by NRS 239C.120 and the Information Technology Advisory Board created by NRS 242.122 of any breach *or attempted breach* of an information system of a state agency or elected officer or application of such an information system or unauthorized acquisition of computerized data that materially



compromises *or could have materially compromised* the security, confidentiality or integrity of such an information system.

**Sec. 16.** NRS 242.191 is hereby amended to read as follows:

242.191 1. Except as otherwise provided in subsection 3, the amount receivable from a state agency or officer or local governmental agency which uses the services of the Division must be determined by the Administrator in each case and include:

(a) The annual expense, including depreciation, of operating and maintaining the ~~Communication and Computing Unit,~~ *Division*, distributed among the agencies *or officers* in proportion to the services performed for each agency ~~or officer~~.

(b) A service charge in an amount determined by distributing the monthly installment for the construction costs of the computer facility among the agencies *or officers* in proportion to the services performed for each agency ~~or officer~~.

2. The Administrator shall prepare and submit monthly to the state agencies and officers and local governmental agencies for which services of the Division have been performed an itemized statement of the amount receivable from each state agency or officer or local governmental agency.

3. The Administrator may authorize, if in his or her judgment the circumstances warrant, a fixed cost billing, including a factor for depreciation, for services rendered to a state agency or officer or local governmental agency.

**Sec. 17.** NRS 242.211 is hereby amended to read as follows:

242.211 1. The Fund for Information Services is hereby created as an internal service fund. Money from the Fund must be paid out on claims as other claims against the State are paid. The claims must be made in accordance with budget allotments and are subject to postaudit examination and approval. *The Administrator may accept grants, gifts, donations, bequests, devises or other money from a public or private source for deposit in the Fund.*

2. All operating, maintenance, rental, repair and replacement costs of equipment and all salaries of personnel assigned to the Division must be paid from the Fund.

3. Each agency using the services of the Division shall pay a fee for that use to the Fund, which must be set by the Administrator in an amount sufficient to reimburse the Division for the entire cost of providing those services, including overhead. Each using agency shall budget for those services. All fees, proceeds from the sale of equipment and any other money received by the Division must be deposited with the State Treasurer for credit to the Fund.

**Sec. 18.** NRS 205.4765 is hereby amended to read as follows:

205.4765 1. Except as otherwise provided in subsection 6, a person who knowingly, willfully and without authorization:



- (a) Modifies;
- (b) Damages;
- (c) Destroys;
- (d) Discloses;
- (e) Uses;
- (f) Transfers;
- (g) Conceals;
- (h) Takes;
- (i) Retains possession of;
- (j) Copies;
- (k) Obtains or attempts to obtain access to, permits access to or causes to be accessed; or

(l) Enters,  
➔ data, a program or any supporting documents which exist inside or outside a computer, system or network is guilty of a misdemeanor.

2. Except as otherwise provided in subsection 6, a person who knowingly, willfully and without authorization:

- (a) Modifies;
- (b) Destroys;
- (c) Uses;
- (d) Takes;
- (e) Damages;
- (f) Transfers;
- (g) Conceals;
- (h) Copies;
- (i) Retains possession of; or
- (j) Obtains or attempts to obtain access to, permits access to or causes to be accessed,

➔ equipment or supplies that are used or intended to be used in a computer, system or network is guilty of a misdemeanor.

3. Except as otherwise provided in subsection 6, a person who knowingly, willfully and without authorization:

- (a) Destroys;
- (b) Damages;
- (c) Takes;
- (d) Alters;
- (e) Transfers;
- (f) Discloses;
- (g) Conceals;
- (h) Copies;
- (i) Uses;
- (j) Retains possession of; or
- (k) Obtains or attempts to obtain access to, permits access to or causes to be accessed,



1    ➤ a computer, system or network is guilty of a misdemeanor.

2    4. Except as otherwise provided in subsection 6, a person who  
3 knowingly, willfully and without authorization:

4        (a) Obtains and discloses;

5        (b) Publishes;

6        (c) Transfers; or

7        (d) Uses,

8    ➤ a device used to access a computer, network or data is guilty of a  
9 misdemeanor.

10    5. Except as otherwise provided in subsection 6, a person who  
11 knowingly, willfully and without authorization introduces, causes to  
12 be introduced or attempts to introduce a computer contaminant into  
13 a computer, system or network is guilty of a misdemeanor.

14    6. If the violation of any provision of this section:

15        (a) Was committed to devise or execute a scheme to defraud or  
16 illegally obtain property;

17        (b) Caused response costs, loss, injury or other damage in excess  
18 of \$500; or

19        (c) Caused an interruption or impairment of a public service,  
20 including, without limitation, a governmental operation, a system of  
21 public communication or transportation or a supply of water, gas or  
22 electricity,

23    ➤ the person is guilty of a category C felony and shall be punished  
24 as provided in NRS 193.130, and may be further punished by a fine  
25 of not more than \$100,000. In addition to any other penalty, the  
26 court shall order the person to pay restitution.

27    7. The provisions of this section do not apply to a person  
28 performing any testing, including, without limitation, penetration  
29 testing, of an information system of an agency that uses the  
30 equipment or services of the Division of Enterprise Information  
31 Technology Services *of the Department of Administration* that is  
32 authorized by the Administrator of the ~~{Division of Enterprise~~  
33 ~~Information Technology Services or the head of the Office of~~  
34 ~~Information Security of the}~~ Division. As used in this subsection:

35        (a) "Information system" has the meaning ascribed to it in  
36 NRS 242.057.

37        (b) "Penetration testing" has the meaning ascribed to it in  
38 NRS 242.171.

39    **Sec. 19.** NRS 223.085 is hereby amended to read as follows:

40    223.085 1. The Governor may, within the limits of available  
41 money, employ such persons as he or she deems necessary to  
42 provide an appropriate staff for the Office of the Governor,  
43 including, without limitation, the Office of Economic Development,  
44 the Office of Science, Innovation and Technology and the  
45 Governor's mansion. Any such employees are not in the classified



1 or unclassified service of the State and, except as otherwise  
2 provided in NRS 231.043 and 231.047, serve at the pleasure of the  
3 Governor.

4 2. The Governor shall:

5 (a) Determine the salaries and benefits of the persons employed  
6 pursuant to subsection 1, within limits of money available for that  
7 purpose; and

8 (b) Adopt such rules and policies as he or she deems appropriate  
9 to establish the duties and employment rights of the persons  
10 employed pursuant to subsection 1.

11 ~~{3. The Governor may:~~

12 ~~—(a) Appoint a Chief Information Officer of the State; or~~

13 ~~—(b) Designate the Administrator as the Chief Information Officer~~  
14 ~~of the State.~~

15 ~~→ If the Administrator is so appointed, the Administrator shall serve~~  
16 ~~as the Chief Information Officer of the State without additional~~  
17 ~~compensation.~~

18 ~~—4. As used in this section, “Administrator” means the~~  
19 ~~Administrator of the Division of Enterprise Information Technology~~  
20 ~~Services of the Department of Administration.]~~

21 **Sec. 20.** NRS 233F.010 is hereby amended to read as follows:

22 233F.010 As used in this chapter, unless the context otherwise  
23 requires, the words and terms defined in NRS 233F.015 to  
24 ~~{233F.065,}~~ **233F.060**, inclusive, have the meanings ascribed to  
25 them in those sections.

26 **Sec. 21.** NRS 233F.117 is hereby amended to read as follows:

27 233F.117 If a state agency other than the ~~{Communications~~  
28 ~~Group}~~ **Division** adds equipment which extends the state  
29 communications system to another location, the extension, if  
30 approved by the Administrator, becomes part of the state  
31 communications system. An approved extension of the system is  
32 subject to the provisions of this chapter relating to the system.

33 **Sec. 22.** NRS 233F.260 is hereby amended to read as follows:

34 233F.260 The Board shall provide advice to the  
35 ~~{Telecommunications—Group}~~ **Division** on the use of  
36 telecommunications by the State Government, including:

37 1. The development of policies, standards, plans and designs;

38 2. The procurement of systems, facilities and services;

39 3. The integration of telecommunications systems with other  
40 state and local governmental systems; and

41 4. New technology that may become or is available.

42 **Sec. 23.** NRS 233F.270 is hereby amended to read as follows:

43 233F.270 1. The ~~{Telecommunications—Group,}~~ **Division**,  
44 with the advice of the Board, shall:



(a) Plan, carry out and administer a state telecommunications system. When available at a competitive cost, the ~~Telecommunications Group~~ Division shall use the facilities of telephone companies providing local exchange service.

(b) Make arrangements for the installation of a central telephone switchboard or switchboards to serve the state offices in one or more buildings as may be practical or feasible.

2. The system must be integrated and may include services between the State and any cities, counties and schools.

3. The Division may consider for the system all the telecommunications requirements of the State and its political subdivisions.

**Sec. 24.** NRS 459.742 is hereby amended to read as follows:

459.742 The Commission, in carrying out its duties and within the limits of legislative appropriations and other available money, may:

1. Enter into contracts, leases or other agreements or transactions;

2. Provide grants of money to local emergency planning committees to improve their ability to respond to emergencies involving hazardous materials;

3. Assist with the development of comprehensive plans for responding to such emergencies in this State;

4. Provide technical assistance and administrative support to the ~~Telecommunications Group of the Communication and Computing Unit of the~~ Division of Enterprise Information Technology Services of the Department of Administration for the development of systems for communication during such emergencies;

5. Provide technical and administrative support and assistance for training programs;

6. Develop a system to provide public access to data relating to hazardous materials;

7. Support any activity or program eligible to receive money from the Contingency Account for Hazardous Materials;

8. Adopt regulations setting forth the manner in which the Division of Emergency Management of the Department shall:

(a) Allocate money received by the Division which relates to hazardous materials or is received pursuant to 42 U.S.C. §§ 11001 et seq. or 49 U.S.C. §§ 5101 et seq.; and

(b) Approve programs developed to address planning for and responding to emergencies involving hazardous materials; and

9. Coordinate the activities administered by state agencies to carry out the provisions of this chapter, 42 U.S.C. §§ 11001 et seq. and 49 U.S.C. §§ 5101 et seq.





**Sec. 25.** NRS 603A.215 is hereby amended to read as follows:

603A.215 1. If a data collector doing business in this State accepts a payment card in connection with a sale of goods or services, the data collector shall comply with the current version of the Payment Card Industry (PCI) Data Security Standard, as adopted by the PCI Security Standards Council or its successor organization, with respect to those transactions, not later than the date for compliance set forth in the Payment Card Industry (PCI) Data Security Standard or by the PCI Security Standards Council or its successor organization.

2. A data collector doing business in this State to whom subsection 1 does not apply shall not:

(a) Transfer any personal information through an electronic, nonvoice transmission other than a facsimile to a person outside of the secure system of the data collector unless the data collector uses encryption to ensure the security of electronic transmission; or

(b) Move any data storage device containing personal information beyond the logical or physical controls of the data collector, its data storage contractor or, if the data storage device is used by or is a component of a multifunctional device, a person who assumes the obligation of the data collector to protect personal information, unless the data collector uses encryption to ensure the security of the information.

3. A data collector shall not be liable for damages for a breach of the security of the system data if:

(a) The data collector is in compliance with this section; and

(b) The breach is not caused by the gross negligence or intentional misconduct of the data collector, its officers, employees or agents.

4. The requirements of this section do not apply to:

(a) A telecommunication provider acting solely in the role of conveying the communications of other persons, regardless of the mode of conveyance used, including, without limitation:

(1) Optical, wire line and wireless facilities;

(2) Analog transmission; and

(3) Digital subscriber line transmission, voice over Internet protocol and other digital transmission technology.

(b) Data transmission over a secure, private communication channel for:

(1) Approval or processing of negotiable instruments, electronic fund transfers or similar payment methods; or

(2) Issuance of reports regarding account closures due to fraud, substantial overdrafts, abuse of automatic teller machines or related information regarding a customer.

5. As used in this section:



(a) “Data storage device” means any device that stores information or data from any electronic or optical medium, including, but not limited to, computers, cellular telephones, magnetic tape, electronic computer drives and optical computer drives, and the medium itself.

(b) “Encryption” means the protection of data in electronic or optical form, in storage or in transit, using:

(1) An encryption technology that has been adopted by an established standards setting body, including, but not limited to, the Federal Information Processing Standards issued by the National Institute of Standards and Technology, which renders such data indecipherable in the absence of associated cryptographic keys necessary to enable decryption of such data;

(2) Appropriate management and safeguards of cryptographic keys to protect the integrity of the encryption using guidelines promulgated by an established standards setting body, including, but not limited to, the National Institute of Standards and Technology; and

(3) Any other technology or method identified by the ~~Office of Information Security of the~~ Division of Enterprise Information Technology Services of the Department of Administration in regulations adopted pursuant to NRS 603A.217.

(c) “Facsimile” means an electronic transmission between two dedicated fax machines using Group 3 or Group 4 digital formats that conform to the International Telecommunications Union T.4 or T.38 standards or computer modems that conform to the International Telecommunications Union T.31 or T.32 standards. The term does not include onward transmission to a third device after protocol conversion, including, but not limited to, any data storage device.

(d) “Multifunctional device” means a machine that incorporates the functionality of devices, which may include, without limitation, a printer, copier, scanner, facsimile machine or electronic mail terminal, to provide for the centralized management, distribution or production of documents.

(e) “Payment card” has the meaning ascribed to it in NRS 205.602.

(f) “Telecommunication provider” has the meaning ascribed to it in NRS 704.027.

**Sec. 26.** NRS 603A.217 is hereby amended to read as follows:

603A.217 Upon receipt of a well-founded petition, the ~~Office of Information Security of the~~ Division of Enterprise Information Technology Services of the Department of Administration may, pursuant to chapter 233B of NRS, adopt regulations which identify



alternative methods or technologies which may be used to encrypt data pursuant to NRS 603A.215.

**Sec. 27.** 1. Notwithstanding any provision of law to the contrary, the terms of office of the existing members of the Information Technology Advisory Board appointed pursuant to paragraphs (c) to (f), inclusive, of subsection 1 of NRS 242.122, expire on June 30, 2015.

2. On or before July 1, 2015, the Governor shall appoint members to the Information Technology Advisory Board that meet the requirements set forth in paragraphs (c) and (e) of subsection 1 of NRS 242.122, as amended by section 8 of this act.

3. The terms of office of the members appointed pursuant to this section is 4 years.

**Sec. 28.** The Legislative Counsel shall, in preparing supplements to the Nevada Administrative Code, appropriately change any references to any officer, agency or other entity:

1. Whose name is changed pursuant to the provisions of this act; or

2. Whose responsibilities have been transferred pursuant to the provisions of this act, to refer to the appropriate officer, agency or other entity.

**Sec. 29.** NRS 233F.045, 233F.065, 242.105, 242.135 and 242.151 are hereby repealed.

**Sec. 30.** 1. This section and section 27 of this act become effective upon passage and approval.

2. Sections 1 to 26, inclusive, and sections 28 and 29 of this act become effective on July 1, 2015.

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## LEADLINES OF REPEALED SECTIONS

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**233F.045 “Communications Group” defined.**

**233F.065 “Telecommunications Group” defined.**

**242.105 Confidentiality of certain documents relating to homeland security: List; biennial review; annual report.**

**242.135 Employment of one or more persons to provide information services for agency or elected officer of State.**

**242.151 Administrator to advise agencies.**

