



February 20, 2004

**ENGROSSED
SENATE BILL No. 379**

DIGEST OF SB 379 (Updated February 18, 2004 5:19 pm - DI 103)

Citations Affected: IC 4-1; IC 4-23; IC 25-1; noncode.

Synopsis: Release of Social Security numbers. Prohibits a state agency from releasing the Social Security number of an individual unless required by state law, federal law, or court order; authorized in writing by the individual; to a commercial entity for permissible uses set forth in the Drivers Privacy Protection Act, the Fair Credit Reporting Act, or the Financial Modernization Act of 1999; or necessary to the investigation, prosecution, and adjudication of violations of law or for administration of state employee health benefits. Makes it a Class D felony to knowingly make a false representation to obtain a Social Security number or for an agency employee to knowingly disclose a Social Security number. Provides that an agency employee who negligently discloses a Social Security number commits a Class A infraction. Requires the state information technology oversight commission to appoint a group of individuals to develop a state information security policy. Requires the commission to appoint a
(Continued next page)

Effective: Upon passage; July 1, 2004.

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**Hershman, Craycraft,
Young R Michael, Dillon, Ford**
(HOUSE SPONSORS — HASLER, KOCH)

January 12, 2004, read first time and referred to Committee on Transportation and Homeland Security.
January 22, 2004, amended, reported favorably — Do Pass.
February 2, 2004, read second time, amended, ordered engrossed.
February 3, 2004, engrossed.
February 4, 2004, read third time, passed. Yeas 48, nays 0.
HOUSE ACTION
February 6, 2004, read first time and referred to Committee on Technology, Research and Development.
February 19, 2004, amended, reported — Do Pass; recommitted to Committee on Ways and Means.

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Digest Continued

director of information security to implement the policy. Requires each state agency and branch of state government to designate an information security liaison. Requires each state agency and branch of state government to implement the information security policy. Provides that the executive director of the state information technology oversight commission serves as the chief information officer of Indiana. Requires the chief information officer to serve as director of the state information security policy group.

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February 20, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 379

A BILL FOR AN ACT to amend the Indiana Code concerning state administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-1-10 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2004]:

4 **Chapter 10. Release of Social Security Number**

5 **Sec. 1. As used in this chapter, "state agency" means an**
6 **authority, a board, a branch, a commission, a committee, a**
7 **department, a division, or another instrumentality of the executive,**
8 **including the administrative, department of state government.**
9 **Except as provided in subdivision (4), the term does not include the**
10 **judicial or legislative department of state government. The term**
11 **includes the following:**

- 12 (1) A state elected official's office.
- 13 (2) A state educational institution (as defined in
- 14 IC 20-12-0.5-1).
- 15 (3) A body corporate and politic of the state created by state
- 16 statute.
- 17 (4) The Indiana lobby registration commission established by

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IC 2-7-1.6-1.

Sec. 2. Except as provided in section 3 or 4 of this chapter, a state agency may not disclose an individual's Social Security number.

Sec. 3. Unless prohibited by state statute, federal statute, or court order, a state agency may disclose the Social Security number of an individual to a state, local, or federal agency.

Sec. 4. A state agency may disclose the Social Security number of an individual if:

- (1) the disclosure of the Social Security number is expressly required by state law, federal law, or a court order;**
- (2) the individual expressly consents in writing to the disclosure of the individual's Social Security number;**
- (3) the disclosure of the Social Security number is:**
 - (A) made to comply with:**
 - (i) the USA Patriot Act of 2001 (P.L. 107-56); or**
 - (ii) Presidential Executive Order 13224; or**
 - (B) to a commercial entity for the permissible uses set forth in the:**
 - (i) Drivers Privacy Protection Act (18 U.S.C. 2721 et seq.);**
 - (ii) Fair Credit Reporting Act (15 U.S.C. 1681 et seq.); or**
 - (iii) Financial Modernization Act of 1999 (15 U.S.C. 94 6801 et seq.);**
- (4) the disclosure is reasonably related to the investigation, adjudication, or prosecution of a violation under any state or federal law; or**
- (5) the disclosure of the Social Security number is for the purpose of administration of the health benefits of a state agency employee or of a dependent of a state agency employee.**

Sec. 5. A state agency complies with section 2 of this chapter if the state agency:

- (1) removes; or**
- (2) completely and permanently obscures;**

a Social Security number on a public record before disclosing the public record.

Sec. 6. If a state agency releases a Social Security number in violation of this chapter, the state agency shall provide notice to the person whose Social Security number was disclosed in the manner set forth in IC 4-1-11.

Sec. 7. An employee of a state agency who knowingly,

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intentionally, or recklessly discloses a Social Security number in violation of this chapter commits a Class D felony.

Sec. 8. A person who knowingly, intentionally, or recklessly makes a false representation to a state agency to obtain a Social Security number from the state agency commits a Class D felony.

Sec. 9. An employee of a state agency who negligently discloses a Social Security number in violation of this chapter commits a Class A infraction.

Sec. 10. (a) The attorney general may investigate any allegation that a Social Security number was disclosed in violation of this chapter.

(b) If the attorney general determines that there is evidence that a state employee committed a criminal act under section 7 or 8 of this chapter, the attorney general shall report the attorney general's findings to:

- (1)** the local prosecuting attorney in the county where the criminal act occurred; and
- (2)** the state police department.

Sec. 11. If the attorney general determines that there is evidence that a state employee committed an infraction under section 9 of this chapter, the attorney general:

- (1)** shall report the attorney general's findings to the appointing authority (as defined in IC 4-2-6-1) of the state agency that employs the employee; and
- (2)** may report the attorney general's findings to the local prosecuting attorney in the county where the infraction occurred.

Sec. 12. The attorney general may adopt rules under IC 4-22-2 that the attorney general considers necessary to carry out this chapter.

SECTION 2. IC 4-1-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter 11. Notice of Security Breach

Sec. 1. As used in this chapter, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by a state or local agency. The term does not include good faith acquisition of personal information by an agency or employee of the agency for the purposes of the agency, if the personal information is not used or subject to further unauthorized disclosure.

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- 1 **Sec. 2. As used in this chapter, "personal information" means:**
- 2 (1) **an individual's:**
- 3 (A) **first name and last name; or**
- 4 (B) **first initial and last name; and**
- 5 (2) **at least one (1) of the following data elements:**
- 6 (A) **Social Security number.**
- 7 (B) **Driver's license number or identification card number.**
- 8 (C) **Account number, credit card number, debit card**
- 9 **number, security code, access code, or password of an**
- 10 **individual's financial account.**

11 **The term does not include publicly available information that is**
 12 **lawfully made available to the public from records of a federal**
 13 **agency or local agency.**

14 **Sec. 3. As used in this chapter, "state agency" has the meaning**
 15 **set forth in IC 4-1-10-1.**

16 **Sec. 4. (a) Any state agency that owns or licenses computerized**
 17 **data that includes personal information shall disclose a breach of**
 18 **the security of the system following discovery or notification of the**
 19 **breach to any state resident whose unencrypted personal**
 20 **information was or is reasonably believed to have been acquired by**
 21 **an unauthorized person.**

22 **(b) The disclosure of a breach of the security of the system shall**
 23 **be made:**

- 24 (1) **without unreasonable delay; and**
- 25 (2) **consistent with:**
- 26 (A) **the legitimate needs of law enforcement, as described**
 27 **in section 6 of this chapter; and**
- 28 (B) **any measures necessary to:**
- 29 (i) **determine the scope of the breach; and**
- 30 (ii) **restore the reasonable integrity of the data system.**

31 **Sec. 5. (a) This section applies to a state agency that maintains**
 32 **computerized data that includes personal information that the state**
 33 **agency does not own.**

34 **(b) If personal information was or is reasonably believed to have**
 35 **been acquired by an unauthorized person, the state agency shall**
 36 **notify the owner or licensee of the information of a breach of the**
 37 **security of the system immediately following discovery. The state**
 38 **agency shall provide the notice to state residents as required under**
 39 **section 4 of this chapter.**

40 **Sec. 6. The notification required by this chapter:**

- 41 (1) **may be delayed if a law enforcement agency determines**
 42 **that the notification will impede a criminal investigation; and**

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(2) shall be made after the law enforcement agency determines that it will not compromise the investigation.

Sec. 7. Except as provided in section 8 of this chapter, a state agency may provide notice:

- (1) in writing; or
- (2) by electronic mail, if the individual has provided the state agency with the individual's electronic mail address.

Sec. 8. (a) If a state agency demonstrates that:

- (1) the cost of providing notice is at least two hundred fifty thousand dollars (\$250,000);
 - (2) the number of persons to be notified is at least five hundred thousand (500,000); or
 - (3) the agency does not have sufficient contact information;
- the state agency may use an alternate form of notice set forth in subsection (b).

(b) A state agency may provide the following alternate forms of notice if authorized by subsection (a):

- (1) Conspicuous posting of the notice on the state agency's web site, if the state agency maintains a web site.
- (2) Notification to major statewide media.

SECTION 3. IC 4-23-16-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4.1. (a) The governor shall appoint an executive director of the commission who serves at the governor's pleasure. The commission shall advise the governor in the selection of the executive director. **The executive director is the chief information officer of Indiana.**

(b) Subject to the approval of the commission, the executive director may do the following:

- (1) Employ staff necessary to advise and assist the commission as required by this chapter.
- (2) Fix compensation of staff according to the policies currently enforced by the budget agency and the state personnel department.
- (3) Engage experts and consultants to assist the commission.
- (4) Expend funds made available to the staff according to the policies established by the budget agency.
- (5) Establish policies, procedures, standards, and criteria necessary to carry out the duties of the staff of the commission.

SECTION 4. IC 4-23-16-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 13. (a) As used in this section, "director" refers to the director of information security designated under subsection (c).**

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(b) The commission shall appoint a group to develop a state information security policy. The group appointed under this subsection must include the following:

- (1) A designee of the commissioner of the Indiana department of administration.
- (2) A designee of the director of the state personnel department.
- (3) A designee of the commission on public records.
- (4) An individual representing the separately elected state officials.
- (5) An individual representing state agencies.
- (6) The executive director of the legislative services agency.
- (7) An individual representing the judicial branch of state government.
- (8) The director.

The commission may appoint individuals to the group to represent other interests that the commission considers necessary for the development of the information security policy.

(c) The commission shall designate the executive director of the commission as the director of information security for the state. The director shall do the following:

- (1) Direct the implementation of the information security policy.
- (2) Coordinate the information security policy with the information security liaisons.
- (3) Obtain resources and expertise relating to information security from state educational institutions.
- (4) Work with private sector telecommunications and technology companies to enhance the information security policy.
- (5) With the assistance of the state personnel department, develop and implement an education and awareness program to educate state employees about the state information security policy and how to implement the policy.
- (6) Apply for grants and other financial assistance relating to implementation of the information security policy.
- (7) Perform other duties relating to information security assigned by the commission.

(d) Each state agency, the legislative branch of state government, and the judicial branch of state government shall appoint an employee to be the agency's or branch's information security liaison. The information security liaison is responsible for

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1 implementing the information security policy for the state agency
2 or branch of government.

3 (e) The information security policy must provide for the
4 following:

- 5 (1) Encryption of confidential information maintained by
6 state government.
- 7 (2) Specifications for software to provide daily audits and
8 reports for each state agency and branch of state government
9 to monitor compliance with the information security policy.
- 10 (3) Requiring the purchase of information security products
11 on a statewide basis rather than on an agency basis.
- 12 (4) Recruiting to state employment individuals who have
13 education in information security.
- 14 (5) Contracting for professional services relating to
15 information security.
- 16 (6) Sharing information security expertise and resources with
17 political subdivisions.

18 The information security policy must recognize the independence
19 of each of the three (3) branches of state government.

20 (f) Notwithstanding any other law, the information security
21 policy developed under this section applies to the executive,
22 including the administrative, the legislative, and the judicial
23 branches of state government.

24 SECTION 5. IC 25-1-5-11 IS ADDED TO THE INDIANA CODE
25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
26 1, 2004]: Sec. 11. (a) An individual who applies for a license issued
27 by a board under this chapter or who holds a license issued by a
28 board under this chapter shall provide the individual's Social
29 Security number to the bureau.

30 (b) The bureau and the boards may release the applicant's or
31 licensee's Social Security number as otherwise provided under
32 state or federal law.

33 (c) Notwithstanding IC 4-1-10-2, the bureau and the boards may
34 allow access to the Social Security number of each person who is
35 licensed under this chapter or has applied for a license under this
36 chapter to:

- 37 (1) a state agency for the purpose of conducting a background
38 investigation;
- 39 (2) a testing service that provides the bureau or one (1) or
40 more of the boards with the examination for the applicant's or
41 licensee's profession; or
- 42 (3) an individual state regulatory board or an organization

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1 **composed of state regulatory boards for the applicant's or**
 2 **licensee's profession for the purpose of coordinating licensure**
 3 **and disciplinary activities between the individual states.**
 4 SECTION 6. IC 25-1-6-10 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2004]: **Sec. 10. (a) An individual who applies for a license issued**
 7 **by a board under this chapter or who holds a license issued by a**
 8 **board under this chapter shall provide the individual's Social**
 9 **Security number to the licensing agency.**
 10 **(b) The licensing agency and the boards shall release the**
 11 **applicant's or licensee's Social Security number as otherwise**
 12 **permitted under state or federal law.**
 13 **(c) Notwithstanding IC 4-1-10-2, the licensing agency and the**
 14 **boards may allow access to the Social Security number of each**
 15 **person who is licensed under this chapter or has applied for a**
 16 **license under this chapter to:**
 17 **(1) a state agency for the purpose of conducting a background**
 18 **investigation;**
 19 **(2) a testing service that provides the licensing agency or one**
 20 **(1) or more of the boards with the examination for the**
 21 **applicant's or licensee's profession; or**
 22 **(3) an individual state regulatory board or an organization**
 23 **composed of state regulatory boards for the applicant's or**
 24 **licensee's profession for the purpose of coordinating licensure**
 25 **and disciplinary activities between the individual states.**
 26 SECTION 7. [EFFECTIVE JULY 1, 2004] **(a) Notwithstanding**
 27 **IC 4-1-10 and IC 4-1-11, both as added by this act, a state agency**
 28 **is not required to comply with IC 4-1-10 or IC 4-1-11, both as**
 29 **added by this act, until July 1, 2005.**
 30 **(b) This SECTION expires July 2, 2005.**
 31 SECTION 8. [EFFECTIVE UPON PASSAGE] **(a)**
 32 **Notwithstanding IC 4-1-10, as added by this act, the attorney**
 33 **general may initiate rulemaking as set forth in IC 4-1-10-12, as**
 34 **added by this act.**
 35 **(b) This SECTION expires July 2, 2005.**
 36 SECTION 9. **An emergency is declared for this act.**

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SENATE MOTION

Madam President: I move that Senator Craycraft be added as coauthors of Senate Bill 379.

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COMMITTEE REPORT

Madam President: The Senate Committee on Transportation and Homeland Security, to which was referred Senate Bill No. 379, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state administration.

Page 1, line 1, delete "IC 5-14-3.5" and insert "**IC 4-1-10**".

Page 1, line 4, delete "3.5." and insert "**10.**".

Page 1, delete lines 5 through 9.

Page 1, line 10, delete "2." and insert "**1.**".

Page 2, line 7, delete "3." and insert "**2.**".

Page 2, line 7, delete "4 or 5" and insert "**3 or 4**".

Page 2, line 8, delete "or local".

Page 2, line 10, delete "4." and insert "**3.**".

Page 2, line 11, delete "or local".

Page 2, line 13, delete "5." and insert "**4.**".

Page 2, line 13, delete "or local".

Page 2, line 16, after "order;" insert "**or**".

Page 2, line 18, delete "; or" and insert ".".

Page 2, delete line 19.

Page 2, line 20, delete "6." and insert "**5.**".

Page 2, line 20, delete "or local".

Page 2, line 20, delete "3" and insert "**2**".

Page 2, line 26, delete "7." and insert "**6.**".

Page 2, line 26, delete "or local".

Page 2, line 29, delete "IC 5-14-3.7." and insert "**IC 4-1-11.**".

Page 2, delete lines 30 through 42, begin a new paragraph and insert:

"Sec. 7. An employee of a state agency who knowingly, intentionally, or recklessly discloses a Social Security number in violation of this chapter commits a Class D felony.

Sec. 8. A person who knowingly, intentionally, or recklessly makes a false representation to a state agency to obtain a Social Security number from the state agency commits a Class D felony.

Sec. 9. An employee of a state agency who negligently discloses a Social Security number in violation of this chapter commits a Class A infraction.

Sec. 10. If a state agency releases a Social Security number in violation of this chapter, the agency shall provide notice to the

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person whose Social Security number was disclosed as set forth in IC 4-1-11.

Sec. 11. (a) The attorney general may investigate any allegation that a Social Security number was disclosed in violation of this chapter.

(b) If the attorney general determines that there is evidence that a state employee committed a criminal act under section 7 or 8 of this chapter, the attorney general shall report the attorney general's findings to:

- (1) the local prosecuting attorney in the county where the criminal act occurred; and**
- (2) the state police department.**

Sec. 12. If the attorney general determines that there is evidence that a state employee committed an infraction under section 9 of this chapter, the attorney general:

- (1) shall report the attorney general's findings to the appointing authority (as defined in IC 4-2-6-1) of the agency that employs the employee; and**
- (2) may report the attorney general's findings to the local prosecuting attorney in the county where the infraction occurred.**

Sec. 13. The attorney general may adopt rules under IC 4-22-2 that the attorney general considers necessary to carry out this chapter."

Delete pages 3 through 4.

Page 5, delete lines 1 through 32.

Page 5, line 33, delete "IC 5-14-3.7" and insert "IC 4-1-11".

Page 5, line 36, delete "3.7." and insert "**11.**".

Page 6, delete lines 3 through 4.

Page 6, line 5, delete "3." and insert "**2.**".

Page 6, line 17, delete "agency, state agency, or local agency." and insert "**agency or local agency.**".

Page 6, line 18, delete "4." and insert "**3.**".

Page 6, line 19, delete "IC 5-14-3.5-2." and insert "**IC 4-1-10-1.**".

Page 6, line 20, delete "5." and insert "**4.**".

Page 6, line 20, delete "or local".

Page 6, line 31, delete "7" and insert "**6**".

Page 6, line 35, delete "6." and insert "**5.**".

Page 6, line 35, delete "or local".

Page 6, line 37, delete "or local".

Page 6, line 39, delete "or local".

Page 7, line 1, delete "5" and insert "**4**".

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Page 7, line 2, delete "7." and insert "6."
Page 7, line 7, delete "8." and insert "7."
Page 7, line 7, delete "9" and insert "8".
Page 7, line 7, delete "or".
Page 7, line 8, delete "local".
Page 7, line 11, delete "or local".
Page 7, line 12, delete "9." and insert "8".
Page 7, line 12, delete "or local".
Page 7, line 19, delete "or local".
Page 7, line 21, delete or local".
Page 7, line 23, delete "or local".
Page 7, line 24, delete "or local".
Page 7, line 28, delete "IC 5-14-3.5, IC 5-14-3.6, and IC 5-14-3.7,
all" and insert "**IC 4-1-10 and IC 4-1-11, both**".
Page 7, line 29, delete "or local".
Page 7, line 29, delete "IC 5-14-3.5,".
Page 7, line 30, delete "IC 5-14-3.6, or IC 5-14-3.7, all" and insert
"**IC 4-1-10 or IC 4-1-11, both**".
Page 7, line 34, delete "IC 5-14-3.6," and insert "**IC 4-1-10,**".
Page 7, line 35, delete "IC 5-14-3.6-19," and insert "**IC 4-1-10-13,**".
Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 379 as introduced.)

WYSS, Chairperson

Committee Vote: Yeas 6, Nays 0.

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SENATE MOTION

Madam President: I move that Senate Bill 379 be amended to read as follows:

Page 2, line 8, delete "shall" and insert "**may**".

Page 2, line 11, delete "; or" and insert ";".

Page 2, line 13, delete "." and insert "; **or**

"(3) the disclosure of the Social Security number is:

(A) made to comply with:

(i) the USA Patriot Act of 2001 (P.L. 107-56); or

(ii) Presidential Executive Order 13224; or

(B) to a commercial entity for the permissible uses set forth in the:

(i) Drivers Privacy Protection Act (18 U.S.C. 2721 et seq.);

(ii) Fair Credit Reporting Act (15 U.S.C. 1681 et seq.); or

(iii) Financial Modernization Act of 1999 (15 U.S.C. 94 6801 et seq.)."

(Reference is to SB 379 as printed January 23, 2004.)

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SENATE MOTION

Madam President: I move that Senator Young R Michael be added as coauthor of Senate Bill 379.

HERSHMAN

SENATE MOTION

Madam President: I move that Senator Dillon be added as coauthor of Engrossed Senate Bill 379.

HERSHMAN

SENATE MOTION

Madam President: I move that Senator Ford be added as coauthor of Engrossed Senate Bill 379.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred Senate Bill 379, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 13, delete "or".

Page 2, line 17, delete ";" and insert ";".

Page 2, line 24, delete "seq.)." and insert "**seq.);**

(4) the disclosure is reasonably related to the investigation, adjudication, or prosecution of a violation under any state or federal law; or

(5) the disclosure of the Social Security number is for the purpose of administration of the health benefits of a state agency employee or of a dependent of a state agency employee."

Page 2, line 26, after "the " insert "**state**".

Page 2, line 32, after "chapter, the" insert "**state**".

Page 3, delete lines 2 through 5.

Page 3, line 6, delete "11." and insert "**10.**".

Page 3, line 16, delete "12." and insert "**11.**".

Page 3, line 20, after "the" insert "**state**".

Page 3, line 25, delete "13." and insert "**12.**".

Page 4, line 11, delete "section" and insert "**chapter,**".

Page 4, line 21, after "delay;" insert "**and**".

Page 4, line 34, after "The" insert "**state**".

Page 5, line 5, delete "This section applies if" and insert "**If**".

Page 5, between lines 18 and 19, begin a new paragraph and insert:
"SECTION 3. IC 4-23-16-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4.1. (a) The governor shall appoint an executive director of the commission who serves at the governor's pleasure. The commission shall advise the governor in the selection of the executive director. **The executive director is the chief information officer of Indiana.**

(b) Subject to the approval of the commission, the executive director may do the following:

- (1) Employ staff necessary to advise and assist the commission as required by this chapter.
- (2) Fix compensation of staff according to the policies currently enforced by the budget agency and the state personnel department.
- (3) Engage experts and consultants to assist the commission.
- (4) Expend funds made available to the staff according to the

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policies established by the budget agency.

(5) Establish policies, procedures, standards, and criteria necessary to carry out the duties of the staff of the commission.

SECTION 4. IC 4-23-16-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 13. (a) As used in this section, "director" refers to the director of information security designated under subsection (c).**

(b) The commission shall appoint a group to develop a state information security policy. The group appointed under this subsection must include the following:

- (1) A designee of the commissioner of the Indiana department of administration.**
- (2) A designee of the director of the state personnel department.**
- (3) A designee of the commission on public records.**
- (4) An individual representing the separately elected state officials.**
- (5) An individual representing state agencies.**
- (6) The executive director of the legislative services agency.**
- (7) An individual representing the judicial branch of state government.**
- (8) The director.**

The commission may appoint individuals to the group to represent other interests that the commission considers necessary for the development of the information security policy.

(c) The commission shall designate the executive director of the commission as the director of information security for the state. The director shall do the following:

- (1) Direct the implementation of the information security policy.**
- (2) Coordinate the information security policy with the information security liaisons.**
- (3) Obtain resources and expertise relating to information security from state educational institutions.**
- (4) Work with private sector telecommunications and technology companies to enhance the information security policy.**
- (5) With the assistance of the state personnel department, develop and implement an education and awareness program to educate state employees about the state information security policy and how to implement the policy.**
- (6) Apply for grants and other financial assistance relating to**

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implementation of the information security policy.

(7) Perform other duties relating to information security assigned by the commission.

(d) Each state agency, the legislative branch of state government, and the judicial branch of state government shall appoint an employee to be the agency's or branch's information security liaison. The information security liaison is responsible for implementing the information security policy for the state agency or branch of government.

(e) The information security policy must provide for the following:

- (1) Encryption of confidential information maintained by state government.
- (2) Specifications for software to provide daily audits and reports for each state agency and branch of state government to monitor compliance with the information security policy.
- (3) Requiring the purchase of information security products on a statewide basis rather than on an agency basis.
- (4) Recruiting to state employment individuals who have education in information security.
- (5) Contracting for professional services relating to information security.
- (6) Sharing information security expertise and resources with political subdivisions.

The information security policy must recognize the independence of each of the three (3) branches of state government.

(f) Notwithstanding any other law, the information security policy developed under this section applies to the executive, including the administrative, the legislative, and the judicial branches of state government.

SECTION 5. IC 25-1-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. (a) An individual who applies for a license issued by a board under this chapter or who holds a license issued by a board under this chapter shall provide the individual's Social Security number to the bureau.

(b) The bureau and the boards may release the applicant's or licensee's Social Security number as otherwise provided under state or federal law.

(c) Notwithstanding IC 4-1-10-2, the bureau and the boards may allow access to the Social Security number of each person who is licensed under this chapter or has applied for a license under this

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chapter to:

- (1) a state agency for the purpose of conducting a background investigation;
- (2) a testing service that provides the bureau or one (1) or more of the boards with the examination for the applicant's or licensee's profession; or
- (3) an individual state regulatory board or an organization composed of state regulatory boards for the applicant's or licensee's profession for the purpose of coordinating licensure and disciplinary activities between the individual states.

SECTION 6. IC 25-1-6-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 10. (a) An individual who applies for a license issued by a board under this chapter or who holds a license issued by a board under this chapter shall provide the individual's Social Security number to the licensing agency.**

(b) The licensing agency and the boards shall release the applicant's or licensee's Social Security number as otherwise permitted under state or federal law.

(c) Notwithstanding IC 4-1-10-2, the licensing agency and the boards may allow access to the Social Security number of each person who is licensed under this chapter or has applied for a license under this chapter to:

- (1) a state agency for the purpose of conducting a background investigation;
- (2) a testing service that provides the licensing agency or one (1) or more of the boards with the examination for the applicant's or licensee's profession; or
- (3) an individual state regulatory board or an organization composed of state regulatory boards for the applicant's or licensee's profession for the purpose of coordinating licensure and disciplinary activities between the individual states."

Page 5, line 24, delete ":".

Page 5, line 26, delete "IC 4-1-10-13," and insert "**IC 4-1-10-12**,". Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 379 as reprinted February 3, 2004.)

HASLER, Chair

Committee Vote: yeas 12, nays 1.

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