

SENATE, No. 4035

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 4, 2021

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Requires businesses in financial essential infrastructure, and health care industries to develop cybersecurity plans.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT requiring certain businesses to develop cybersecurity plans
2 and supplementing P.L.1960, c.39 (C.56:8-1 et seq.).
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6

7 1. As used in this act:

8 “Cybersecurity incident” means an event occurring on or
9 conducted through a computer network that jeopardizes the
10 integrity, confidentiality, or availability of, or information residing
11 on, computers, information systems, communications systems
12 networks, physical or virtual infrastructure controlled by computers,
13 or information systems.

14 “Industrial control system” means an information system used to
15 control industrial processes such as manufacturing, product
16 handling, production, or distribution. “Industrial control system”
17 includes supervisory control and data acquisition systems used to
18 control geographically dispersed assets, and distributed control
19 systems and smaller control systems using programmable logic
20 controllers to control localized processes.

21 “Information resource” means information and related resources,
22 such as personnel, equipment, funds, and information technology.

23 “Information system” means a discrete set of information
24 resources organized for the collection, processing, maintenance,
25 use, sharing, dissemination, or disposition of information.

26 “New Jersey Cybersecurity and Communications Integration
27 Cell” means the New Jersey Cybersecurity and Communications
28 Integration Cell established pursuant to Executive Order No. 178
29 (2015) in the New Jersey Office of Homeland Security and
30 Preparedness, or any successor entity.

31 “Sensitive business” means a sole proprietorship, partnership,
32 corporation, association, or other entity, however organized and
33 whether or not organized to operate at a profit, including a financial
34 institution organized, chartered, or holding a license or
35 authorization certificate under the laws of this State, any other state,
36 the United States, or of any other country, or the parent or the
37 subsidiary of a financial institution, that is engaged in the financial,
38 essential infrastructure, or healthcare industries and does business
39 in this State.
40

41 2. a. A sensitive business shall develop and implement a
42 cybersecurity program, in accordance with regulations adopted
43 pursuant to this section.

44 b. The New Jersey Cybersecurity and Communications
45 Integration Cell, in consultation with the Attorney General, shall
46 adopt rules and regulations pursuant to the “Administrative
47 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), that establish
48 standards for the definitions and implementation of organization

1 accountabilities and responsibilities for cyber risk management
2 activities, and the establishment of policies, plans, processes, and
3 procedures for identifying and mitigating cyber risk to a sensitive
4 business.

5 c. The regulations shall provide that, as part of the
6 cybersecurity program, a sensitive business shall: identify the
7 individual chiefly responsible for ensuring that the policies, plans
8 processes, and procedures established pursuant to this section are
9 executed in a timely manner; conduct risk assessments and
10 implement appropriate controls to mitigate identified risks to the
11 sensitive business' system; maintain situational awareness of cyber
12 threats and vulnerabilities to the sensitive business and create and
13 exercise incident response and recovery plans.

14 d. A sensitive business shall submit a copy of the cybersecurity
15 program developed pursuant to this section to the New Jersey
16 Cybersecurity and Communications Integration Cell, in a form and
17 manner prescribed by the New Jersey Cybersecurity and
18 Communications Integration Cell. A cybersecurity program
19 submitted pursuant to this subsection shall not be considered a
20 government record under P.L.1963, c.73 (C.47:1A-1 et seq.), and
21 shall not be made available for public inspection.

22
23 3. a. A sensitive business cybersecurity plan created pursuant
24 to section 2 of P.L. , c. (C.) (pending before the Legislature
25 as this bill) shall apply to all of the sensitive business' industrial
26 control systems, and shall conform, to the extent practicable, to the
27 most recent version of one or more of the following industry-
28 recognized cybersecurity frameworks:

29 (1) the Framework for Improving Critical Infrastructure
30 Cybersecurity developed by the National Institute of Standards and
31 Technology;

32 (2) the Center for Internet Security Critical Security Controls; or

33 (3) the International Organization for Standardization and
34 International Electrotechnical Commission 27000 series of
35 standards for an information security management system.

36 b. Whenever a final revision to one or more of the frameworks
37 listed in subsection a. of this section is published, a sensitive
38 business whose cybersecurity program reasonably conformed to that
39 framework shall revise its cybersecurity program to reasonably
40 conform to the revised framework, and submit a copy of the revised
41 cybersecurity program to the New Jersey Cybersecurity and
42 Communications Integration Cell, no later than 180 days after
43 publication of the revised framework.

44 c. No later than one year after the effective date of
45 P.L. , c. (C.) (pending before the Legislature as this bill),
46 and each year thereafter, a sensitive business shall submit to the
47 New Jersey Cybersecurity and Communications Integration Cell a
48 certification demonstrating that the sensitive business is in

1 compliance with the requirements of this section. The certification
2 shall be made in the form and manner prescribed by the Attorney
3 General, in consultation with the New Jersey Cybersecurity and
4 Communications Integration Cell. The certification shall be signed
5 by the responsible corporate officer of the sensitive business if
6 privately held, executive director, if an authority, or mayor or chief
7 executive officer of the municipality, if municipally owned, as
8 applicable.

9 d. The New Jersey Cybersecurity and Communications
10 Integration Cell shall cause to be audited, for compliance with this
11 section, a sensitive business that fails to submit a cybersecurity
12 revision pursuant to subsection b. of this section, or a certification
13 pursuant to this section. The audit shall be conducted by a qualified
14 and independent cybersecurity company, at the sensitive business'
15 expense. Following the audit, the sensitive business shall submit
16 the audit and any corrective action plans derived from the audit to
17 the New Jersey Cybersecurity and Communications Integration
18 Cell.

19 e. A sensitive business shall, upon the request of the Attorney
20 General or the New Jersey Cybersecurity and Communications
21 Integration Cell, provide proof of compliance with the requirements
22 of this section, in a form and manner prescribed by the Attorney
23 General or by the New Jersey Cybersecurity and Communications
24 Integration Cell.

25
26 4. Sections 1 through 3 of this act shall take effect
27 immediately, except that subsection a. of section 2 shall take effect
28 90 days after the adoption of regulations pursuant to section 2.

31 STATEMENT

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33 This bill would require a sensitive business, defined as a
34 business engaged in the financial, essential infrastructure, or
35 healthcare industries to develop cybersecurity programs based on
36 regulations to be adopted by the New Jersey Cybersecurity and
37 Communications Integration Cell (NJCCIC) in the Office of
38 Homeland Security and Preparedness. These requirements include
39 updating cybersecurity programs to apply to all of the sensitive
40 business' industrial control systems if applicable, reasonably
41 conforming these programs to the most recent version of certain
42 industry-recognized cybersecurity frameworks, and annually
43 certifying compliance with these requirements.

44 The bill would require sensitive businesses to submit their
45 cybersecurity plans and revisions to the NJCCIC. The NJCCIC
46 would be directed to audit any sensitive business that fails to submit
47 a cybersecurity plan.