

House Bill 3936

Sponsored by Representative EDWARDS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Bans the use of AI on state assets if the AI is owned or developed by a foreign corporate entity. (Flesch Readability Score: 68.0).

Prohibits any hardware, software or service that uses artificial intelligence from being installed or downloaded onto or used or accessed by state information technology assets if the artificial intelligence is developed or owned by a corporate entity that is incorporated or registered under the laws of a foreign country. Provides for exceptions.

A BILL FOR AN ACT

1
2 Relating to the security of state assets; amending ORS 276A.340, 276A.346 and 276A.348.

3 **Be It Enacted by the People of the State of Oregon:**

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

5 276A.340. As used in ORS 276A.340 to 276A.344:

6 (1) "Covered product" means:

7 (a) Any form of hardware, software or service provided by a covered vendor.

8 (b) **Any hardware, software or service that uses artificial intelligence and the artificial**
9 **intelligence is developed or owned by a corporate entity that is incorporated or registered**
10 **under the laws of a foreign country.**

11 (2) "Covered vendor" means any of the following corporate entities, or any parent, subsidiary,
12 affiliate or successor entity of the following corporate entities:

13 (a) Ant Group Co., Limited.

14 (b) ByteDance Limited.

15 (c) Huawei Technologies Company Limited.

16 (d) Kaspersky Lab.

17 (e) Tencent Holdings Limited.

18 (f) ZTE Corporation.

19 (g) Any other corporate entity designated a covered vendor by the State Chief Information Of-
20 ficer under ORS 276A.344.

21 (3) "State agency" means any board, commission, department, division, office or other entity of
22 state government, as defined in ORS 174.111, except that state government does not include the
23 Secretary of State or State Treasurer.

24 (4) "State information technology asset" means any form of hardware, software or service for
25 data processing, office automation or telecommunications used directly by a state agency or used
26 to a significant extent by a contractor in the performance of a contract with a state agency.

27 **SECTION 2.** ORS 276A.346 is amended to read:

28 276A.346. (1) As used in this section:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (a) "Covered product" means:

2 (A) Any form of hardware, software or service provided by a covered vendor.

3 (B) **Any hardware, software or service that uses artificial intelligence and the artificial**
4 **intelligence is developed or owned by a corporate entity that is incorporated or registered**
5 **under the laws of a foreign country.**

6 (b) "Covered vendor" means any of the following corporate entities, or any parent, subsidiary,
7 affiliate or successor entity of the following corporate entities:

8 (A) Ant Group Co., Limited.

9 (B) ByteDance Limited.

10 (C) Huawei Technologies Company Limited.

11 (D) Kaspersky Lab.

12 (E) Tencent Holdings Limited.

13 (F) ZTE Corporation.

14 (c) "State information technology asset" means any form of hardware, software or service for
15 data processing, office automation or telecommunications used directly by the office of the Secretary
16 of State or used to a significant extent by a contractor in the performance of a contract with the
17 office of the Secretary of State.

18 (2) Except as provided in subsection (4) of this section, the Secretary of State shall:

19 (a) Prohibit a covered product from being:

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

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

22 (b) Remove any covered product that is installed or downloaded onto a state information tech-
23 nology asset; and

24 (c) Implement all measures necessary to prevent the:

25 (A) Installation or download of a covered product onto a state information technology asset; or

26 (B) Use or access of a covered product by a state information technology asset.

27 (3) For any corporate entity that the State Chief Information Officer designates as a covered
28 vendor under ORS 276A.344, the secretary may:

29 (a) Prohibit a covered product from being:

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

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

32 (b) Remove any covered product that is installed or downloaded onto a state information tech-
33 nology asset; and

34 (c) Implement all measures necessary to prevent the:

35 (A) Installation or download of a covered product onto a state information technology asset; or

36 (B) Use or access of a covered product by a state information technology asset.

37 (4) If the secretary adopts risk mitigation standards and procedures related to the installation,
38 download, use or access of a covered product, the secretary may, for investigatory, regulatory or
39 law enforcement purposes, permit the:

40 (a) Installation or download of the covered product onto a state information technology asset;

41 or

42 (b) Use or access of the covered product by a state information technology asset.

43 **SECTION 3.** ORS 276A.348 is amended to read:

44 276A.348. (1) As used in this section:

45 (a) "Covered product" means:

1 (A) Any form of hardware, software or service provided by a covered vendor.

2 (B) Any hardware, software or service that uses artificial intelligence and the artificial
3 intelligence is developed or owned by a corporate entity that is incorporated or registered
4 under the laws of a foreign country.

5 (b) "Covered vendor" means any of the following corporate entities, or any parent, subsidiary,
6 affiliate or successor entity of the following corporate entities:

7 (A) Ant Group Co., Limited.

8 (B) ByteDance Limited.

9 (C) Huawei Technologies Company Limited.

10 (D) Kaspersky Lab.

11 (E) Tencent Holdings Limited.

12 (F) ZTE Corporation.

13 (c) "State information technology asset" means any form of hardware, software or service for
14 data processing, office automation or telecommunications used directly by the office of the State
15 Treasurer or used to a 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 Treasurer shall:

18 (a) Prohibit a covered product from being:

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

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

21 (b) Remove any covered product that is installed or downloaded onto a state information tech-
22 nology asset; and

23 (c) Implement all measures necessary to prevent the:

24 (A) Installation or download of a covered product onto a state information technology asset; or

25 (B) Use or access of a covered product by a state information technology asset.

26 (3) For any corporate entity that the State Chief Information Officer designates as a covered
27 vendor under ORS 276A.344, the State Treasurer may:

28 (a) Prohibit a covered product from being:

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

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

31 (b) Remove any covered product that is installed or downloaded onto a state information tech-
32 nology asset; and

33 (c) Implement all measures necessary to prevent the:

34 (A) Installation or download of a covered product onto a state information technology asset; or

35 (B) Use or access of a covered product by a state information technology asset.

36 (4) If the State Treasurer adopts risk mitigation standards and procedures related to the instal-
37 lation, download, use or access of a covered product, the State Treasurer may, for investigatory,
38 regulatory or law enforcement purposes, permit the:

39 (a) Installation or download of the covered product onto a state information technology asset;

40 or

41 (b) Use or access of the covered product by a state information technology asset.

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