

1 AN ACT relating to security of connected devices.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
4 READ AS FOLLOWS:

5 *As used in Sections 1 to 3 of this Act:*

6 *(1) "Authentication" means a method of verifying the authority of a user, process, or*
7 *device to access resources in an information system;*

8 *(2) "Connected device" means any device or other physical object that is capable of*
9 *connecting to the Internet, directly or indirectly, and that is assigned an Internet*
10 *Protocol address or Bluetooth address;*

11 *(3) "Manufacturer" means the person who manufactures, or contracts with another*
12 *person to manufacture on the behalf of the person, connected devices that are*
13 *sold or offered for sale in Kentucky. For purposes of this subsection, a contract*
14 *with another person to manufacture on the behalf of the person does not include*
15 *a contract only to purchase a connected device, or only to purchase and brand a*
16 *connected device; and*

17 *(4) "Unauthorized access, destruction, use, modification, or disclosure" means*
18 *access, destruction, use, modification, or disclosure that is not authorized by the*
19 *consumer.*

20 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
21 READ AS FOLLOWS:

22 *(1) A manufacturer of a connected device shall equip the device with a reasonable*
23 *security feature or features that are:*

24 *(a) Appropriate to the nature of the function of the device;*

25 *(b) Appropriate to the information it may collect, contain, or transmit; and*

26 *(c) Designed to protect the device and any information contained therein from*
27 *unauthorized access, destruction, use, modification, or disclosure.*

1 (2) Subject to the requirements set forth in subsection (1) of this section, if a
2 connected device is equipped with a means for authentication outside a local area
3 network, it shall be deemed a reasonable security feature under subsection (1) of
4 this section if:

5 (a) The preprogrammed password is unique to each device manufactured; or

6 (b) The device contains a security feature that requires a user to generate a new
7 means of authentication before access is granted to the device for the first
8 time.

9 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
10 READ AS FOLLOWS:

11 (1) Sections 1 to 3 of this Act shall not be construed to:

12 (a) Impose any duty upon the manufacturer of a connected device related to
13 unaffiliated third-party software or applications that a user chooses to add
14 to a connected device;

15 (b) Impose any duty upon a provider of an electronic store, gateway,
16 marketplace, or other means of purchasing or downloading software or
17 applications, to review or enforce compliance with Sections 1 to 3 of this
18 Act;

19 (c) Impose any duty upon the manufacturer of a connected device to prevent a
20 user from having full control over a connected device, including the ability
21 to modify the software or firmware running on the device at the discretion
22 of the user;

23 (d) Provide a basis for a private right of action. The Attorney General,
24 Commonwealth's attorney, or county attorney shall have the authority to
25 enforce the provisions of Sections 1 to 3 this Act; or

26 (e) Limit the authority of a law enforcement agency to obtain connected device
27 information from a manufacturer as authorized by law or pursuant to an

- 1 order of a court of competent jurisdiction.
- 2 (2) Sections 1 to 3 of this Act shall not apply to any connected device the
3 functionality of which is subject to security requirements under federal law,
4 regulations, or guidance promulgated by a federal agency pursuant to its
5 regulatory enforcement authority.
- 6 (3) A covered entity, provider of health care, business associate, health care service
7 plan, contractor, employer, or any other person subject to the federal Health
8 Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, shall
9 not be subject to Sections 1 to 3 of this Act with respect to any activity regulated
10 by that law.