



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 361** HLS 23RS 206
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 2, 2023	11:10 AM	Author: DESHOTEL
Dept./Agy.: Office of Technology Services		Analyst: Garrett Ordner
Subject: Prohibits TikTok on State-Owned Equipment		

ADMINISTRATION EG INCREASE GF EX See Note Page 1 of 2
 Prohibits the use of TikTok and related applications on computers and networks owned or leased by the state

Proposed law requires the Office of Technology Services (OTS) to develop a policy to prohibit the use of the social networking service TikTok or any successor application or service developed or provided by ByteDance Limited or an entity owned by ByteDance Limited. Specifically, the policy must require the removal of and prohibit the use of the application from any computer, device, or network owned or leased by the state. The policy must be submitted to the Joint Legislative Committee on Technology and Cybersecurity (JLCTC) no later than August 23, 2023. Proposed law provides that the policy must not prohibit public servants from using such application for a legitimate purpose approved by the public servant's agency or on devices that are not owned or leased by the state. Proposed law provides a civil penalty of \$500 for agency heads who fail to properly implement the policy.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There will be increased costs to develop and implement a policy requiring the removal of and prohibiting the use of TikTok on any computer, device, or network owned or leased by the state. These costs are indeterminable and will depend upon the methods used by government entities to implement the policy. While access to TikTok can be blocked on state-owned and leased networks, several governmental entities plan to utilize software to remove and block the application even when on networks that are not owned or leased by the state.

OTS plans to utilize mobile device management (MDM) software to remove and prohibit the use of TikTok on state-owned devices. OTS reports that the cost for its MDM platform is \$15 per device per month and that the policy would cover 13,438 devices at a total cost of \$2.4 M per year.

The Office of the Governor reports that it will incur indeterminable costs to implement the policy developed by OTS. The Legislative Fiscal Office has not yet received a cost estimate from the Commissioner of Insurance. All other elected officials' offices report there will be no fiscal impact due to the proposed law.

The legislature may experience a fiscal impact to implement the policy as well, but any such impact is currently indeterminable. The Louisiana Supreme Court reports that it will not experience a fiscal impact due to the proposed law.

Most university campuses report that they will implement the policy at no additional cost using existing resources. However, several campuses state they will incur additional costs to implement policies prohibiting TikTok on their devices and networks.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law provides a civil penalty of \$500 for agency heads who fail to properly implement the policy.

Senate <u>Dual Referral Rules</u> <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	House <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	
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Evan Brasseaux
 Interim Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:

Page 2 of 2

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

The Louisiana State University (LSU) Agricultural Center and the LSU Health Sciences Center report that they plan to implement the policy using Zscaler software at a combined cost of \$3.7 M over the next five years, of which \$1.3 M would be incurred in FY 24. The LSU Health Care Services Division reports it will incur costs of \$97,000 in FY 24 and \$52,000 annually thereafter for Zscaler licensing and training.

Three campuses within the University of Louisiana (UL) system report that they will incur a combined cost of \$96,606 per year to implement the policy. This includes \$73,080 per year to hire a technical staff member at Louisiana Tech; \$10,000 per year for software management systems at Nicholls State University; and \$13,526 per year to purchase CISCO's Umbrella platform at UL Monroe. Finally, UL Lafayette reports that it will experience costs to implement the policy but the amount of the cost is currently indeterminable.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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