

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 273** SLS 20RS 405

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 10, 2020	7:40 AM	Author: HEWITT
Dept./Agy.: Secretary of State and LA Cybersecurity Commission		Analyst: Patrice Thomas
Subject: Registration of Managed /Managed Security Service Providers		

INFORMATION TECHNOLOGY EG +\$48,000 GF EX See Note Page 1 of 1
Provides for registration with secretary of state by managed service providers servicing public bodies. (See Act)

Proposed law requires Managed Service Providers and Managed Security Service Providers doing business with any public body in LA to register with the Secretary of State beginning February 1, 2021, and renew the registration every 2 years. Proposed law defines Managed Service Providers and Managed Security Service Providers. Proposed law provides that public bodies cannot do business or enter into a contract with a Managed or Managed Security Service Provider that is not registered, failed to renew, or is not in good standing with the Secretary of State. Proposed law outlines the information required on the registration application with the Secretary of State as well as requires Managed or Managed Security Service Providers to file a notice of any material change to the registration information. Furthermore, proposed law requires Managed or Managed Security Service Providers to report to the LA Cybersecurity Commission any cyber incident impacting a public body within 24 hours and payment of cyber ransom or ransomware involving a public body within 10 days. Proposed law provides that such reports shall not be public record.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$48,000	\$0	\$0	\$0	\$0	\$48,000
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$48,000	\$0	\$0	\$0	\$0	\$48,000

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in a one-time implementation cost for the secretary of state of approximately \$48,000. Proposed law requires managed service providers to register with the Secretary of State beginning February 1, 2021, and every two years following as well as to provide notification of any material change in registration information. Proposed law requires a managed service provider to report any cyber incident impacting a public body or payment of cyber ransom to the LA Cybersecurity Commission, which is exempt from public record.

The Secretary of State reports that implementing proposed law requires one-time expenditures of \$48,000 SGF (480 hours x \$100) due to IT programming changes to maintain the prescribed registry.

REVENUE EXPLANATION

Proposed law will result in an indeterminable increase in self-generated revenues within the Secretary of State. Proposed law requires managed service providers to register with the Secretary of State. The LFO cannot determine how many managed service providers will register. Although proposed law is silent to the Secretary of State imposing a registration fee, the LFO assumes managed service providers will be subject to existing commercial filing fees.

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}

Evan Brasseaux
Evan Brasseaux
Staff Director