

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 361** HLS 23RS 206

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

<b>Date:</b> April 24, 2023	5:22 PM	<b>Author:</b> DESHOTEL
<b>Dept./Agy.:</b> Office of Technology Services		<b>Analyst:</b> Garrett Ordner
<b>Subject:</b> Prohibits TikTok on State-Owned Equipment		

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

Proposed law requires agency heads 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 prohibit (1) the presence or use of the application on any computer or device owned or leased by the state and (2) network traffic related to the application on a network owned or leased by the state. The policy must be developed no later than August 1, 2023. Proposed law provides that the policy must not prohibit public employees from using such application for a legitimate purpose approved by the employee'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.

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

**EXPENDITURE EXPLANATION**

There may be increased costs for agency heads to develop policies which prohibit the use of TikTok and related applications on state-owned devices and networks. The extent of these costs will depend on whether the prohibition can be implemented through a written policy or requires the installation of software to prevent the application from being downloaded onto state-owned devices.

If the proposed law does require agencies to utilize mobile device management (MDM) or other software to prohibit the presence and use of TikTok on state-owned devices, those agencies will face increased costs. For example, the Office of Technology Services (OTS) reports that the cost for its MDM platform is \$15 per device per month. The DOA and some university campuses plan to implement the ban using written policies, which will carry minimal costs.

Several university campuses state they will implement the ban using their existing MDM platforms. Six campuses state they anticipate additional costs in order to implement the ban, and one of these campuses reports that it will also require an additional staff member. Some campuses anticipate large upfront costs ranging from \$50,000 to over \$100,000. Some campuses also anticipate ongoing costs ranging from \$10,000 to over \$70,000 annually.

**REVENUE EXPLANATION**

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

Senate  
 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**  
**Interim Deputy Fiscal Officer**