

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 361** HLS 23RS 206
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 4, 2023	8:31 PM	Author: DESHOTEL
Dept./Agy.: Office of Technology Services		Analyst: Garrett Ordner
Subject: Prohibits TikTok on State-Owned Equipment		

ADMINISTRATION REF SEE FISC NOTE SG RV 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 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 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 developed by OTS is subject to approval by the Joint Legislative Committee on Technology and Cybersecurity. Proposed law provides that the supreme court and legislature must develop similar policies banning TikTok. Proposed law provides that the policies 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 which may be recovered in a civil action instituted by the attorney general.

EXPENDITURES	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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.	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

The Office of Technology Services (OTS) reports that the policy it will develop to prohibit TikTok on state-owned devices and networks will not pose additional costs to the state. OTS reports that while the policy will prohibit the use of the application on state-owned devices and networks, it will not require specialized software to actively remove the application from state-owned devices.

While all state agencies will be required to implement the policy developed by OTS and approved by Joint Legislative Committee on Technology and Cybersecurity, not all agencies' networks and devices are managed by OTS. Proposed law provides that the supreme court and the legislature must develop their own policies to ban TikTok, but that these policies must be substantially similar to the policy developed by OTS. Agencies may face additional costs to the extent that they choose to implement additional rules beyond what the policy requires or to utilize additional enforcement mechanisms such as mobile device management (MDM) software which can automatically remove the application from devices. For informational purposes, OTS has reported that its preferred MDM software costs \$15 per month per device.

REVENUE EXPLANATION

Proposed law provides a civil penalty of \$500 for agency heads who fail to properly implement the policy which may be recovered in a civil action instituted by the attorney general.

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