

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 28, 2020	6:00 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 REF +\$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 providing managed service services to 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 and provides that public bodies cannot enter into a contract with a Managed Service Provider or Managed Security Service Provider that is not registered, failed to renew, or is not in good standing. Proposed law outlines the information required on the registration application with the Secretary of State as well as requires Managed Service Providers or Managed Security Service Providers to file a notice of any material change to the registration information. Included in any public contract, proposed law requires Managed Service Providers or Managed Security Service Providers to notify to the LA Fusion Center of any cyber incident impacting a public body within 24 hours of discovery and payment of cyber ransom or ransomware involving the named public body within 10 days of payment; notices shall become public record after 60 days of submission.

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	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$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 send notice any cyber incident impacting a public body or payment of cyber ransom to the LA Fusion Center, which is exempt from public record for 60 days.

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 with regard 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
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Staff Director