

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6598
BILL NUMBER: SB 150

NOTE PREPARED: Feb 29, 2024
BILL AMENDED: Feb 29, 2024

SUBJECT: Artificial Intelligence and Cybersecurity.

FIRST AUTHOR: Sen. Brown L
FIRST SPONSOR: Rep. Lehman

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Task Force:* The bill creates the Artificial Intelligence, Cybersecurity, and Data Governance Task Force (Task Force) to study and assess:

- (1) the use of artificial intelligence technology by state agencies;
- (2) cybersecurity issues; and
- (3) certain technology issues.

Policies: It provides that political subdivisions, state agencies, school corporations, and state educational institutions (public entities) may adopt a:

- (1) technology resources policy; and
- (2) cybersecurity policy; subject to specified guidelines.

State Agencies and Political Subdivisions: The bill specifies requirements for:

- (1) public entities; and
- (2) entities other than public entities; that connect to the state technology infrastructure of Indiana.

Software Application: It provides, with regard to a licensing contract entered into by a state agency for use of a software application designed to run on generally available desktop or server hardware that:

- (1) the contract may not restrict the hardware on which the state agency installs or runs the software; and
- (2) information created, received, maintained, stored by, or otherwise in the control of the software or any derivative of the information is considered government information and owned by the state.

AI Technologies: The bill provides that an executive or legislative state agency may submit to the Office of

Technology and the Task Force an inventory of all artificial intelligence technologies in use, or being developed or considered by the state agency for use, by the state agency.

Effective Date: July 1, 2024; July 1, 2025.

Explanation of State Expenditures: (Revised) *Task Force:* The Task Force will consist of 15 members, including 4 legislators. The Task Force is required to meet for the first time no later than September 1, 2024. Before October 31, 2024, a report must be submitted to the General Assembly containing the Task Force's findings and recommendations.

Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$13,500 per interim for committees with less than 16 members. Expenses of the task force are to be paid from appropriations to the Legislative Council.

The Legislative Services Agency will provide staff support to the Task Force and will result in an increase in workload for the agency. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Office of Technology (IOT): The bill allows the IOT to oversee and provide support to state agencies, state educational institutions, and government entities regarding cybersecurity. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Policies: The bill allows all state agencies and state educational institutions to create policies regarding technology resources, and cybersecurity. The bill allows the IOT in collaboration with the Department of Education, to develop standards and guidelines regarding cybersecurity policy for school corporations. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Inventory of AI Technologies: The bill allows each executive and legislative branch agency to submit an inventory of all artificial intelligence (AI) technologies currently in use or being considered by November 1, 2025. The bill's requirements should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Information: The Legislative Services Agency currently does cybersecurity training with a program called KnowBe4. The IOT also uses this for training. The IOT also has an Agency Liaison Program to better work with state agencies to improve their business relationship with the IOT.

Explanation of State Revenues:

Explanation of Local Expenditures: *Policies:* The bill allows municipalities, special taxing districts, and school corporations to decide on adopting a cybersecurity policy. If they to implement a cybersecurity policy, it could increase workload and expenditures.

Explanation of Local Revenues:

State Agencies Affected: Executive branch agencies; Office of Technology; General Assembly; Legislative

Services Agency; State Educational Institutions; Department of Education.

Local Agencies Affected: School corporations; counties; cities; towns.

Information Sources: Graig Lubsen, Indiana Office of Technology; Indiana State Staffing Table, December 2023; <https://www.in.gov/iot/files/IOT-Services-Catalog.pdf>;
<https://www.in.gov/iot/files/Agency-Liaison-List-2023.pdf>.

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