Fiscal Estimate - 2023 Session

☐ Update	ed Correc	ted	Supplemental	
LRB Number 23-4048/1	Introducti	on Number	AB-0568	
Description software security measures for text mes	sages, granting rule-making	authority, and prov	iding a penalty	
Fiscal Effect				
State: No State Fiscal Effect Indeterminate Increase Existing Appropriations Decrease Existing Appropriations Create New Appropriations	☐ Increase Existing Revenues ☐ Decrease Existing Revenues			
Local: No Local Government Costs Indeterminate 1. Increase Costs 3. Permissive Mandatory 2. Decrease Costs 4. Permissive Mandatory	Permissive Mandatory Decrease Revenue	Counties	Government Village Cities Others 0 WTCS Districts	
Fund Sources Affected GPR FED PRO F	PRS SEG SEGS		Appropriations	
Agency/Prepared By	Authorized Signat	ure	Date	
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Fiscal Estimate Narratives DATCP 12/15/2023

LRB Number	23-4048/1	Introduction Number	AB-0568	Estimate Type	Original	
Description						
software security measures for text messages, granting rule-making authority, and providing a penalty						

Assumptions Used in Arriving at Fiscal Estimate

The bill requires texting software providers to ensure certain encryption and notification features when persons send or receive text messages. The bill does this by specifying requirements for texting software providers. The department and the Attorney General's office may enforce the law and engage in rulemaking if necessary.

This will be a new area of consumer protection for the department and consumers. Therefore, the department is unable to determine the number of complaints it may receive from consumers about the providers' compliance with the requirements. Regardless, the department will need to educate both industry and consumers on new regulations and would absorb that temporary increase in workload.

If the bill passes, as stated, it would be a new area of enforcement without existing rules. The department would likely need to promulgate rules as authorized, and it would shift priorities of existing staff to draft those rules.

Long-Range Fiscal Implications

Depending on the number of complaints and the need to initiate investigations into providers complying with the statutory requirements, the department may need to hire or contract with technical experts in software and data evaluation.