

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable John Whitmire, Chair, Senate Committee on Criminal Justice

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1477 by West (Relating to ransomware; creating a criminal offense.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Penal Code as it relates to the creation of the offense of ransomware attack and extortion. Under the provisions of the bill, certain computer attacks in which an individual introduces ransomware with the intent to extort payment would be a criminal offense. The bill would also make restricting a ransomware victim's access to privileged information a criminal offense. The punishment for certain types of ransomware attacks would range from a misdemeanor to a felony with the punishment level increasing in severity based on the value of the payment or other consideration demanded and other offense-related circumstances. The Office of Court Administration and the Texas Department of Criminal Justice do not anticipate a significant fiscal impact. This analysis assumes the provisions of the bill addressing felony sanctions would not result in a significant impact on the demand for state correctional resources. The bill would take effect September 1, 2017 and apply only to an offense committed on or after the effective date of the Act.

Local Government Impact

An offense under the provisions of the bill is a Class A misdemeanor if the value of the payment or other consideration demanded is \$750 but less than \$2,500. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. An offense under the provisions of the bill is a Class B misdemeanor if the value of the payment or other consideration demanded is \$100 but less than \$750. A Class B misdemeanor is punishable by a fine of not more than \$2,000, confinement in jail for a term not to exceed 180 days, or both. An offense under the provisions of the bill is a Class C misdemeanor if the value of the payment or other consideration is less than \$100. A Class C misdemeanor is punishable by a fine of not more than \$500. Costs associated with enforcement and prosecution of misdemeanor offenses could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact. In addition to the fine associated with a Class C misdemeanor, punishment can include up to 180 days of deferred disposition.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 696
Department of Criminal Justice

LBB Staff: UP, KJo, LM, RFL, JGA