

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 13, 2021**

**TO:** Honorable Chris Paddie, Chair, House Committee on State Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4395** by Shaheen (relating to state agency and local government security incident procedures.),  
**Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend Section 2054.1125 of the Government Code to define an information security incident. The bill would also add local governments to the list of entities required to report security incidents to the Department of Information Resources (DIR) and to comply with all rules relating to security incidents adopted by DIR. DIR indicates that the costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

According to the Texas Municipal League, no significant fiscal impact to municipalities is anticipated. The fiscal impact to other units of local government cannot be determined at this time.

**Source Agencies:** 313 Department of Information Resources

**LBB Staff:** JMc, SMAT, LCO, MBO, AF