

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 25, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4996 by Bell, Cecil (Relating to a statewide cyber insurance program.), **As Introduced**

No significant fiscal implication to the State is anticipated. There would be an indeterminate cost to the state based on the results of the study and the specifications identified for the cyber insurance program.

The bill would require the Department of Information Resources (DIR), with support from the State Office of Risk Management (SORM), to contract with a cyber risk model vendor to conduct a study on the development of a statewide risk framework in order to determine the need for, and feasibility of implementing a statewide cyber insurance program.

The bill would authorize SORM to develop and maintain a statewide cyber insurance program based on the results of the study. It would require DIR, in conjunction with SORM, to prepare and submit a report containing the results of the study and any recommendations for legislative or other action to address the need for cyber insurance.

DIR assumes that any costs associated with contracting for the study could be absorbed using existing resources. However, the resulting implications on the necessity and feasibility of a cyber insurance program cannot be estimated, so the fiscal impact cannot be determined.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 313 Department of Information Resources, 479 State Office of Risk Management

LBB Staff: JMc, SMAT, LCO, CSmi, NV