

FISCAL IMPACT STATEMENT ON BILL NO. **S.334, Senate Amendment**  
(Doc. No. 334C004.NL.DG13)

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TO:	The Honorable Hugh K. Leatherman, Sr., Chairperson, Senate Finance Committee		
FROM:	State Budget Division, Budget and Control Board		
ANALYSTS:	K. Earle Powell, Stephen Gardner, Brenda Hart		
DATE:	March 21, 2013	SBD:	2013192

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AUTHOR:	Unknown	PRIMARY CODE CITE:	12-6-1141
SUBJECT:	Identity Theft Protection		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:  
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:  
A Cost of Federal and/or Other Funds (See Below)

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**BILL SUMMARY:**

This is a proposed amendment to Senate Bill 334 regarding identity theft protection. The amendment requires the Governor to develop a protection plan to minimize the actual and potential costs of identity theft protection. In addition, the amendment directs the Governor to develop and implement a policy that is designed to ensure the safety of all personally identifiable information at the Department of Revenue. The amendment also creates an Identity Theft Unit at the Department of Consumer Affairs. Also, created within the State Budget and Control Board, is a Division of Information headed by a Chief Information Security Officer. Finally, the amendment establishes a Joint Information Security Oversight Committee comprised of six members of the General Assembly and two members appointed by the Governor.

**EXPLANATION OF IMPACT:**

State Budget and Control Board

The Board estimates a recurring cost of \$1,525,784 for the requirements of the Information Security (Section 3.A) of the Bill creating the Division of Information Security. Primarily, these are personal service and employer contribution costs for a Chief Information Security Officer and 10 FTE positions. Additionally, the Board estimates \$154,992 for duties associated with the Technology Investment Council and the Joint Information Security Oversight Committee. Non-recurring costs are estimated at \$70,032.

Department of Consumer Affairs

The Department estimates this Bill will have a fiscal impact on the agency's recurring and non-recurring funds. The Department estimates recurring costs of \$662,722. Recurring costs include \$387,000 for 10 new FTE positions and \$96,750 for employer contributions. In addition, operating costs for office space, office supplies, technology, and 2 vehicles are estimated at \$178,972. Non-recurring costs are estimated at \$537,690 for computer equipment, software, and telephone lines. Total estimated costs for the agency are \$1,200,412.

The Senate and House of Representatives

The Clerks of the Senate and House of Representatives estimate a daily cost per meeting of approximately \$1600. These costs include mileage, per diem and subsistence for 6 members (3 Senate, 3 House).

Department of Revenue (DOR)

The Department reports that this Bill requires the agency to develop policies to ensure maximum enrollments. It also requires the agency to develop forms and an ability to sign up through DOR's website. In addition, there is also a reporting requirement. DOR indicates the expenditure impact to the agency is minimal.

The Governor's Office

The Governor's Office states that there would be no fiscal impact to develop a plan for an Identify Theft Protection and Fraud Resolution Services Plan. However, The Governor's Office does not have sufficient information to determine the cost of such protection/insurance at this time. The necessary funding for these services would be included in the Governor's Executive Budget.

RECAP

Total recurring costs for the State Budget & Control Board and the Department of Consumer Affairs for Personal Identity and Theft Protection are estimated at \$2,188,506 and 21.00 FTE positions. Nonrecurring costs are estimated at \$607,722. Note the cost of Identify Theft Protection/Insurance is not included in these estimates.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

None.

Approved by:



Brenda Hart  
Assistant Director, State Budget Division