

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 15** SLS 21RS 69
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 3, 2021	7:51 AM	Author: MILLIGAN
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Telecommunications and video equipment		

PROCUREMENT CODE RE SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides relative to purchase of telecommunication and video equipment or services by all state agencies. (8/1/21)

Present law prohibits certain educational entities from purchasing telecommunications or video surveillance equipment as described in Section 889(a) of the Fiscal Year 2019 National Defense Authorization Act unless such equipment is from a manufacturer in compliance with such federal provision. Present law requires a vendor of such equipment to provide an affidavit that the equipment is from a manufacturer that is in compliance with such federal provision. Proposed law broadens the prohibition to all state agencies and changes the name of the federal law to the John S. McCain National Defense Authorization Act for Fiscal Year 2019. Proposed law makes present law applicable to the purchase or acquisition of any system for use by a state agencies. Proposed law applies only to procurements initiated on or after August 1, 2021, by state agencies, certain educational entities, and their service providers. Proposed law provides that on or before October first of each year, the chief information officer shall report to the Joint Legislative Committee on Technology, in executive session, regarding the operational readiness and procurement requirements of the state in cybersecurity and other information.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable expenditure impact to the Division of Administration - Office of Technology Services (OTS) and all state agencies. OTS reports that there may be costs to the extent OTS and agencies must revise its current procurement processes or is no longer able to contract with an existing vendor that is not in compliance with Section 889(a) of the John S. McCain National Defense Authorization Act for FY 19. There may be additional costs due to time delays to secure an affidavit from existing contractors certifying compliance; however, these are expected to be minimal. Purchases on behalf of executive branch agencies utilize all means of finance to fund operating expenses, including acquisitions.

The John S. McCain National Defense Authorization Act for Fiscal Year 2019 includes two provisions that apply to all federal acquisitions: (1) a prohibition from purchasing telecommunications and video surveillance equipment or services manufactured or provided by five named companies and their subsidiaries or affiliates (Huawei Technologies Company; ZTE Corporation; Hytera Communications Corporation; Hangzhou Hikvision Digital Technology Company; and Dahua Technology Company); and (2) a prohibition from entering into a contract with companies that use any equipment, system, or service that uses prohibited telecom as a substantial or essential component of any system, or as critical technology as part of any system.

LA state law defines telecommunications equipment as electronic transmission facilities, data and voice transmission systems, telephone and facsimile systems, radio paging services, mobile telephone services, intercom, and electro-mechanical paging systems, and all systems based on emerging and future telecommunication technologies relative to the aforementioned items (R.S. 38:2236); includes local and wide area network systems and services, video systems and services, wireless systems and services, radio, etc. (R.S. 39:1752).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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