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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:  
**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** 1/27/24  
**Bill No:** SB129

**Sponsor:** Senator Padilla  
Representative Sariñana  
**Short Title:** CYBERSECURITY ACT  
CHANGES

**Agency Name and Code** Office of Superintendent of Insurance - 440  
**Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
N/A	N/A		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
N/A	N/A	N/A		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	280	280	280	840	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: SB 129 amends multiple sections of the law relating to Cybersecurity that created the Cybersecurity Act; providing duties and powers; creating the position of state chief information security officer; providing duties; creating the cybersecurity advisory committee; providing exemptions to the open meetings act and inspection of public records act; requiring reports.

The amendments that impact the Office of Superintendent of Insurance can be found in:

Section B 1, which requires the Office of the Superintendent to report to the cybersecurity office all information technology and cybersecurity expenditures in a form and manner established by the cybersecurity office.

Section B 2, which requires the Office of Superintendent of Insurance to adhere to rules establishing minimum cybersecurity controls for managing and protecting information technology assets and infrastructure adopted by the cybersecurity office.

Section B 3, which requires the Office of Superintendent of Insurance facilitate information technologies and security audits required by the cybersecurity office.

Section B 4, which requires the Office of Superintendent of Insurance to provide agency system logs to support monitoring and detection pursuant to Section B 3.

Section B 10, which requires the Office of Superintendent of Insurance to provide agency data classification based on reporting expectations adopted by the cybersecurity office.

Section B 11, which requires the Office of Superintendent of Insurance to adhere to rules relating to cybersecurity awareness policies and training standards.

Section B 12, which requires the Office of Superintendent of Insurance to adhere to rules relating to cybersecurity and data breach reporting process.

Section B 13, which requires the Office of Superintendent of Insurance to obtain approval from the Cybersecurity Office of information technology requests for proposals and other agency requests that are subject to the Procurement Code, prior to final approval.

Section B 14, which requires the Office of Superintendent of Insurance to obtain approval from the Cybersecurity Office of cybersecurity and information security contracts and amendments to those contracts, including emergency procurement, sole source contracts and price agreements, prior to final approval.

Section B 15, which requires the Office of Superintendent of Insurance to obtain approval from the Cybersecurity Office of legislative appropriation requests of twenty-five million dollars (\$25,000,000) or more related to cybersecurity and information security prior to submission of such appropriation requests to the legislature.

## **FISCAL IMPLICATIONS**

SB 129 requires the Office of Superintendent of Insurance to provide additional reporting and adherence to rules and regulations adopted by the Cybersecurity Office related to cybersecurity. It also requires additional approvals from the Cybersecurity Office for procurement and appropriation requests.

The Office of Superintendent of Insurance is currently not allocated a Cybersecurity compliance position. These additional reporting and responsibilities would require an addition to that type of role.

An estimate on the annual fiscal impact to the OSI would include:

1. 1 Cyber Security and Compliance full-time staff member at \$140,000
2. 1 Project Manager full-time staff member at \$120,000
3. 1 subscription to a log collection software \$20,000

## **SIGNIFICANT ISSUES**

Currently, the Office of the Superintendent of Insurance staff does not include positions required for the future need of dedicated Cybersecurity subject matter experts and specialized cybersecurity tools. Appropriate budget additions need to be allocated to enable the Office of the Superintendent of Insurance to adhere to the new requirements which add significant workload and expenditure burden to the agency.

## **PERFORMANCE IMPLICATIONS**

As discussed above, the OSI will require additional resources to meet obligations under this bill. Also, the need to obtain prior approval of information technology requests for proposals and other agency requests, especially emergency purchases, that are subject to the Procurement Code, prior to final approval, will add additional time to an approval process that is already slow.

## **ADMINISTRATIVE IMPLICATIONS**

Due to the increased amount of reporting of technical information, reporting and requests for approval for all cybersecurity and IT related RFPs, and expenditures, cybersecurity and IT security contracts and amendments, sole source contracts, and price agreements additional project management resources beyond the available resources will be required.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

### **TECHNICAL ISSUES**

SB 129 reporting requirements will require the Office of Superintendent of Insurance to obtain a consolidated reporting tool such as Splunk. This type of tool would allow for the Office of Superintendent of Insurance to gather, report and archive the required information needed to adhere to the requirements of SB 129.

### **OTHER SUBSTANTIVE ISSUES**

N/A

### **ALTERNATIVES**

N/A.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The status quo will remain, and state agencies will have no new obligations to collaborate with the Cybersecurity Office, and increase the security of the state's IT systems.

### **AMENDMENTS**

None.