

LFC Requester: _____

**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 1/30/24

Bill No: SB129A

Sponsor: Sen. Padilla
Short Cybersecurity Act Changes
Title: _____

Agency Name
and Code HSD-630
Number: _____
Person Writing Sean Curry
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|--------|------------------------------|------------------|
| FY24 | FY25 | | |
| \$0.00 | \$0.00 | NA | NA |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|--------|--------|---------------------------------|------------------|
| FY24 | FY25 | FY26 | | |
| \$0.00 | \$0.00 | \$0.00 | NA | NA |
| | | | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| Total | \$0.00 | \$0.00 | \$0.00 | | | |

(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:

Narrows reach of Cybersecurity Office rules, adds to the Office’s duties and changes membership of Cybersecurity Advisory Committee. Narrows applicability of rules adopted by the Cybersecurity Office only to entities receiving General Fund appropriations and persons or entities transacting business with the state. Requires Cybersecurity Office to adopt and implement rules (rather than just developing them) in these new areas:

- Requiring entities receiving General Fund appropriations to report all information technology security and cybersecurity expenditures to the Cybersecurity Office;
- Establishing minimum cybersecurity controls for managing assets and infrastructure for all entities that are connected to an agency-operated or -owned telecommunications network;
- Conduct of information technology and security audits to detect vulnerabilities;
- Data classification policies and standards;
- Cybersecurity awareness policies;
- Data breach reporting processes;
- Approval of agency information technology requests for approval and other agency requests subject to the Procurement Code prior to approval;
- Approval of agency cybersecurity and information security contracts and amendments prior to final approval; and
- Review and approval of all agency, public school, higher education institution, county and municipal legislative requests of \$25 million or more related to cybersecurity and information security prior to submission of such requests to the Legislature.

Public bodies not subject to the jurisdiction of the security officer are mandated to adopt and implement cybersecurity, information security and privacy policies based on minimum standards by the National Institute of Standards and Technology.

Empowers the security officer to issue orders:

- Regarding agency compliance with rules standards or controls issued by the office or recommended by the advisory committee;
- To protect the state’s assets from threat;

Changes to Cybersecurity Advisory Committee:

- Security officer made a voting member in addition to being chair;
- Security officer will be recused from deliberations and voting on matters concerning supervision, discipline, or compensation of the security officer;
- Secretary of Homeland Security and Emergency Management made a member;
- Reduces members nominated by the NM Association of Counties and NM Municipal League from 3 each to 2 each;
- One member with experience in cybersecurity issues appointed by the governor for public education institutions; and
- One member with experience in cybersecurity issues appointed by the governor for public health institutions.

FISCAL IMPLICATIONS

SB-129A does not include an appropriation. HCA compliance with any rules that the cybersecurity office issues may require expenditures to implement. The bill also specifies that the cybersecurity office will have review and approval authority related to cybersecurity procurements. The cybersecurity office will adopt and implement rules in accordance with the state government rule-making process.

SIGNIFICANT ISSUES

SB-129A expands the rule making authority and review and approval powers of the cybersecurity office. It is possible that existing HCA standards for compliance with federal partner regulations already exceed what the cybersecurity office would mandate. HCA should be permitted to submit existing assessment results that exceed the standards that will result from this bill.

PERFORMANCE IMPLICATIONS

The Department of Information Technology (DoIT) currently exercises oversight of HCA procurements. Additional reporting requirements and DoIT review and approval of cybersecurity related requests for quotes and proposals (RFQs and RFPs), purchases, and contract amendments prior to their execution will lengthen the time needed to implement new cybersecurity tools, software, and contracts and therefore impact HCA ability to respond to urgent needs.

ADMINISTRATIVE IMPLICATIONS

SB-129A states that the cybersecurity office may monitor agency information technology networks and conduct information technology and security assessments to detect security vulnerability incidents and support mitigation efforts as necessary and within capabilities. As noted above, HCA should be permitted to submit existing assessment results that exceed the standards that will result from this bill.

The bill also says that the security officer may adopt and implement rules to establish minimum data classification policies and standards and design controls to support compliance with classifications and report on exceptions. The cybersecurity office will adopt and implement rules in accordance with the state government rule-making process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to: SB-130 Cybersecurity workgroup on AI

Relates to: HB-72 Create Cybersecurity Fund

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo for HCA

AMENDMENTS