

January 30, 2023

The Honorable Jeff Longbine, Chairperson  
Senate Committee on Financial Institutions and Insurance  
300 SW 10th Avenue, Room 546-S  
Topeka, Kansas 66612

Dear Senator Longbine:

**SUBJECT:** Fiscal Note for SB 44 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 44 is respectfully submitted to your committee.

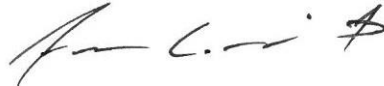
SB 44 would enact the Kansas Financial Institutions Information Security Act. The act would establish information security standards for certain financial institutions that handle customer information. The Office of the State Bank Commissioner would administer the act and would have subpoena power that could be enforced in the courts. The bill would also allow the agency to enforce the Federal Trade Commission (FTC) Safeguards Rule, which requires financial entities to develop, implement, and maintain an information security program.

The Office of the State Bank Commissioner indicates SB 44 would have no fiscal effect on agency operations because the agency already performs information technology examinations of financial entities, which also check for compliance with the FTC Safeguards Rule. In addition, the agency indicates that it would not generate fine revenues because financial entities already voluntarily make any necessary changes to come into compliance with the FTC Safeguards Rule and the agency expects continued cooperation from the entities.

The Kansas Judicial Branch indicates that because SB 44 would allow the Office of the State Bank Commissioner to enforce its subpoena power in district court, there would be an increase in time spent processing and researching cases by judicial and nonjudicial personnel. Also, the bill could result in the collection of docket fees that would be deposited to the State General Fund. However, the Judicial Branch is unable to estimate a fiscal effect.

The Office of the Attorney General indicates SB 44 would not have a fiscal effect on its operations. Any fiscal effect associated with SB 44 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Brock Roehler, Office of the State Bank Commissioner  
Vicki Jacobsen, Judiciary  
John Milburn, Office of the Attorney General