

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7391**  
**BILL NUMBER: SB 477**

**NOTE PREPARED: Jan 4, 2023**  
**BILL AMENDED:**

**SUBJECT:** Threats to Critical Infrastructure.

**FIRST AUTHOR:** Sen. Busch  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- (1) Amends the statute prohibiting the use of public funds to purchase equipment or services produced or provided by certain prohibited persons determined to be a national security threat to communications networks or supply chains to also prohibit the use of public funds to purchase communications equipment or service that is: (A) determined under specified federal regulations to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons; and (B) included on the covered list published, maintained, and updated by the federal Public Safety and Homeland Security Bureau on the website of the Federal Communications Commission.
- (2) Provides that the Governor may, at any time, and in consultation with the Executive Director of the Department of Homeland Security, designate a country as a threat to certain critical infrastructure located in Indiana.
- (3) Provides that after June 30, 2023, a person (including a state agency or a political subdivision) may not enter into an agreement relating to critical infrastructure with a company if: (A) under the agreement, the company would be able to directly or remotely access or control critical infrastructure; and (B) the company is: (i) owned or controlled by citizens of (or a company or entity owned or controlled by citizens or the government of) China, Iran, North Korea, Russia, or a country designated as a threat to critical infrastructure by the governor; or (ii) headquartered in China, Iran, North Korea, Russia, or a country designated as a threat to critical infrastructure by the Governor.
- (4) Provides that after June 30, 2023, a person may not sell, lease, or transfer a parcel of real property that is: (A) located in Indiana; and (B) directly adjacent to a military installation; to a citizen of, or company owned or controlled by, any of these countries.

**Effective Date:** July 1, 2023.

**Explanation of State Expenditures:** This bill could impact state expenditures as well as contracting costs to the extent certain vendors are excluded from being able to transact business with the state under the prohibitions in the bill. Any impact would depend on the costs of goods and services submitted by excluded vendors compared to the costs of goods and services selected by state agencies.

The bill could also increase the workload of the Office of the Governor as well as Indiana Department of Homeland Security to review counties that should be added to the list of threats to critical infrastructure in the state. It is assumed that the list of exclusions, as well as any alterations and additions to this list, would be electronically disseminated by the Indiana Department of Homeland Security in consultation with the Indiana Department of Administration. Any impact on agency workload is expected to be accomplished within existing resource and funding levels.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill could impact local expenditures as well as contracting costs to the extent certain vendors are excluded from being able to transact business with political subdivisions under the prohibitions in the bill. Any impact would depend on the costs of goods and services submitted by excluded vendors compared to the costs of goods and services selected by local units of government.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 317-232-9559.