



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0996 Introduced on January 25, 2024
Author: Hutto
Subject: AI Child Abuse
Requestor: Senate Judiciary
RFA Analyst(s): Gardner
Impact Date: February 22, 2024 - Updated for Additional Agency Response

Fiscal Impact Summary

This bill creates two new felony offenses related to the production, distribution, receipt, possession, or possession with intent to distribute an obscene visual depiction or representation showing a minor engaging in sexually explicit conduct, activity, or nudity and establishes associated penalty schedules. In addition, it requires that persons who have been convicted of or have pled guilty or nolo contendere to such offenses be added to the sex offender registry as Tier II offenders.

Judicial reports that implementation of the bill may result in an increase in general sessions court caseloads, which can be managed using existing staff and appropriations. Therefore, the bill will result in no expenditure impact for Judicial. Also, the Commission on Prosecution Coordination and Commission on Indigent Defense report the bill may increase the workload of the agencies. Both agencies anticipate being able to manage the increase with existing staff and within existing appropriations. However, if this bill results in a significant increase in the workload, the agencies may request an increase in General Fund appropriations.

The Attorney General currently investigates and prosecutes internet crimes against children. The implementation of this bill will have no expenditure impact, as the agency expects to manage any increase in caseloads within current resources.

The State Law Enforcement Division (SLED) reports the bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, the bill does not have an impact.

This fiscal impact statement has been updated to include a response from SLED.

This bill may result in an increase in the number of inmates housed by the Department of Corrections. However, no data are available to estimate the increase in the number of inmates that may be housed by Corrections. According to Corrections, in FY 2022-23, the annual total cost per inmate was \$37,758, \$34,570 of which was state funded. As the potential increase in incarcerations is unknown, any expenditure impact for Corrections is undetermined.

As this bill creates new offenses, this may result in an increase of General Fund, Other Funds, and local fine revenue. However, as the number of such offenses and the resulting fines and fees that might occur in a given year is unknown, the revenue impact is undetermined.

Explanation of Fiscal Impact

Updated for Additional Agency Response on February 22, 2024

Introduced on January 25, 2024

State Expenditure

This bill creates within provisions for offenses against morality and decency the definitions of obscene and visual depiction or representation. It also creates the felony offense of knowingly producing, distributing, receiving, or possessing with intent to distribute—or attempting or conspiring to produce, distribute, receive, or possess with intent to distribute—an obscene visual depiction or representation showing a minor engaging in sexually explicit conduct, activity, or nudity. This offense is punishable by a term of imprisonment for not less than two years nor more than ten years. No part of the minimum sentence may be suspended nor parole granted until the minimum sentence has been served. The bill also creates the felony offense of knowingly possessing—or attempting or conspiring to do so—an obscene visual depiction or representation showing a minor engaging in sexually explicit conduct, activity, or nudity. This offense is punishable by a term of imprisonment for not more than ten years. The bill does not require that any minor depicted actually exists. This bill also provides that persons who have been convicted of, or have pled guilty or nolo contendere to these offenses must be added to the sex offender registry as Tier II offenders.

Judicial. Judicial reports that implementation of the bill may result in an increase in general sessions court caseloads, which can be managed using existing staff and appropriations. Therefore, the bill will result in no expenditure impact for Judicial.

Commission on Prosecution Coordination. The Commission reports this bill will have no expenditure impact because the agency will administer policies resulting from the bill with the use of existing staff and resources.

Commission on Indigent Defense. The implementation of this bill will have no expenditure impact, as the Commission expects to manage any increase in caseloads within current resources.

State Law Enforcement Agency. SLED reports the bill requires the agency to perform activities that will be conducted in the normal course of agency business. As a result, the bill does not have an impact.

This fiscal impact statement has been updated to include a response from SLED.

Office of the Attorney General. The Attorney General currently investigates and prosecutes internet crimes against children. The implementation of this bill will have no expenditure impact, as the agency expects to manage any increase in caseloads within current resources.

Department of Corrections. The South Carolina Department of Corrections (SCDC) reports that while implementation of the bill may affect the terms of imprisonment for certain inmates, the resulting expenditure impact cannot be determined. According to SCDC, in FY 2022-23, the annual total cost per inmate was \$37,758 of which \$34,570 was state funded. SCDC expects to manage any expenditure impact due to this bill with existing General Fund appropriations. If this bill results in a substantial increase in incarcerations, Corrections will request an increase in General Fund Appropriations.

State Revenue

This bill may increase General Fund revenue from fines, as well as Other Funds revenue, due to the increase in fines and fees for the new offenses brought in general sessions courts. However, as the number of such offenses that might occur in a given year is unknown, the revenue impact is undetermined.

Local Expenditure

N/A

Local Revenue

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Commission on Prosecution Coordination. The Commission reports this bill will have no expenditure impact because the agency will administer policies resulting from the bill with the use of existing staff and resources.

Commission on Indigent Defense. The implementation of this bill will have no expenditure impact, as the Commission expects to manage any increase in caseloads within current resources.

State Law Enforcement Agency. The expenditure impact of this bill on SLED is pending, contingent upon a response.

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Frank A. Rainwater, Executive Director