



# 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.*

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**Bill Number:** H. 3046 Introduced on January 14, 2025  
**Subject:** Sexual Exploitation of a Minor, Morphed Images  
**Requestor:** House Judiciary  
**RFA Analyst(s):** Gardner  
**Impact Date:** February 24, 2025

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### Fiscal Impact Summary

This bill expands definitions related to offenses against morality and decency and provides that first, second, and third degree offenses for exploitation of a minor include the use of morphed images of an identifiable minor engaging in sexual activity or appearing in a state of sexually explicit nudity. In addition, the bill provides that Tier I sex offenders include persons who have been convicted of, or pled guilty or nolo contendere to first, second, or third degree criminal sexual exploitation of a minor and that Tier II sex offenders include persons who have been convicted of, or pled guilty or nolo contendere to first degree, second degree, or third degree sexual exploitation of a minor. The bill also revises the time frames within which Tier I and Tier II sex offenders can apply for removal from the sex offender registry.

This bill may result in an increase in the number of circuit court cases and family court cases, the number of cases handled by the Attorney General's Office, and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, the Department of Corrections (Corrections), and Probation, Parole and Pardon Services (PPP). The potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. These agencies and Judicial indicate that if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested. Additionally, the Attorney General currently investigates and prosecutes internet crimes against children. The agency anticipates any additional increase in caseload due to this bill can be managed within existing appropriations. For information, according to Corrections, in FY 2023-24, the annual total cost per inmate was \$40,429, of which \$36,553 was state funded.

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

**Introduced on January 14, 2025**

### **State Expenditure**

This bill amends provisions related to offenses against morality and decency by:

- Expanding the definition of material that may be harmful to minors to include computer generated pictures or images;
- Creating the definition of identifiable minor to mean a person who (1) was a minor at the time an image was created, adapted, or modified and (2) who is recognizable as an actual person by the person's face, likeness, or other distinguishing characteristics.
- Creating the definition of morphed image to mean a visual depiction or representation (including any photograph, film, video, picture, or computer or computer-generated image or picture) of sexually explicit conduct where such depiction or representation has been created, adapted, or modified to appear that an identifiable minor is engaging in sexual conduct or sexually explicit activity or appearing in a state of sexually explicit nudity.

The bill also expands the offenses of first degree, second degree, and third degree sexual exploitation of a minor to include unlawful actions involving a morphed image of an identifiable minor engaging in sexual activity or appearing in a state of sexually explicit nudity when a reasonable person would infer the purpose is sexual stimulation. These offenses, if committed by an adult, are felonies; however, they are misdemeanors to be heard by the family court if they are committed by a minor and it is the minor's first such offense. Persons convicted of, or who have pled guilty or nolo contendere to first, second, or third degree criminal sexual exploitation of a minor must register as Tier I sex offenders. Persons convicted of, or who have pled guilty or nolo contendere to first, second, or third degree sexual exploitation of a minor must register as Tier II sex offenders. The bill also revises the time frames within which Tier I and Tier II sex offenders can apply for removal from the sex offender registry.

This bill may result in an increase in the number of circuit court cases and family court cases, the number of cases handled by the Attorney General's Office, and potentially the number of incarcerations, which may increase the workload of the court system and the Commission of Indigent Defense, the Commission on Prosecution Coordination, Corrections, and PPP. The potential increase in expenses for each agency will depend upon the increase in the number of cases and number of incarcerations. These agencies and Judicial indicate that if this bill results in a significant increase in the workload, then an increase in General Fund appropriations may be requested. Additionally, the Attorney General currently investigates and prosecutes internet crimes against children. The agency anticipates any additional increase in caseload due to this bill can be managed within existing appropriations. For information, according to Corrections, in FY 2023-24, the annual total cost per inmate was \$40,429, of which \$36,553 was state funded.

**State Revenue**

This bill may increase General Fund and 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**

This bill may increase local 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.



Frank A. Rainwater, Executive Director