LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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FISCAL IMPACT STATEMENT

LS 7281
BILL NUMBER: HB 1646

NOTE PREPARED: Jan 3, 2023
BILL AMENDED:

SUBJECT: Child Sexually Abusive Materials.

FIRST AUTHOR: Rep. Morris
FIRST SPONSOR:

BILL STATUS: As Introduced

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

IMPACT: State

Summary of Legislation: This bill has the following provisions:

A. It authorizes the Attorney General to assess a civil penalty of $1 M on a corporation with a market capitalization of at least $100 B for each instance in which the corporation knowingly makes available child sexually abusive material, and establishes a procedure for the investigation of a complaint relating to child sexually abusive material.

B. It establishes the Child Sexually Abusive Material Facilitation Prevention Fund. It specifies that money in the fund shall be used to: (1) fund the Internet Crimes Against Children Fund; and (2) offset forgone tax remittances.

C. It makes an appropriation.

Effective Date: July 1, 2023.

Explanation of State Expenditures: Any additional expenditures from the Office of the Attorney General will be at the discretion of the Attorney General and staff.

The Office of the Attorney General would be permitted to take the following actions:

1. Issue and serve subpoenas to produce records for the Attorney General to inspect.
2. Issue and serve subpoenas for the appearance of certain persons to provide testimony under oath.
3. Apply to a court with jurisdiction to enforce a subpoena.

Explanation of State Revenues: The Child Sexually Abusive Material Facilitation Prevention Fund is established for the purpose of receiving, holding, and disbursing funds from civil penalties assessed under this chapter. Any revenue that is generated from these civil penalties would be deposited into this Prevention Fund in the following manner:

1. The first $100 M deposited in the Fund is transferred to the Internet Crimes Against Children Fund to be used to fund the investigation of a corporation. [The Internet Crimes Against Children Fund was appropriated $1 M over the FY 2022-FY 2023 biennium and is administered by the Indiana State Police.]

2. Any excess of the $100 M deposited in the Fund that is not allocated to the Internet Crimes Against Children Fund would be transferred to the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Mark Goodpaster, 317-232-9852.