



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0514.01: Criminalize use of real and digitally fabricated sexually explicit images**

Primary Sponsor: Jill Cohenour

Status: As Introduced

- ☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
- ☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$50,370	\$201,480	\$306,753	\$311,287
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$50,370)</u>	<u>(\$201,480)</u>	<u>(\$306,753)</u>	<u>(\$311,287)</u>
General Fund Balance				

Description of fiscal impact

HB 514 criminalized the use of real and digitally fabricated sexually explicit images and will over time have an impact on the criminal justice system.

FISCAL ANALYSIS

Assumptions

Department of Justice

1. Amended language expounds on what constitutes a violation of privacy in communications offense and associated penalties. This would have no fiscal impact on the Division of Criminal Investigation and potential additional workload could be handled within existing resources.
2. HB 514 could increase cases the Prosecution Services Bureau (PSB) may charge. The increased workload could be absorbed into the current case load the PSB has with no significant fiscal impact. If the PSB did not have the capacity to handle cases, they would be referred back to the county.

Department of Corrections

3. Using a three-year average, the Department of Corrections (DoC) assumes three (3) new incarcerations per year under the proposed changes.
4. DoC assumes each offender will serve a three (3) year prison sentence.
5. DoC estimates a cost of \$92 per day per offender or \$33,580 per year.
6. DoC assumes an inflationary factor of 1.5% in FY 2028 and FY 2029.
7. Assuming a start date of January 1, 2026, in FY 2026 the department would see a fiscal impact of \$50,370 (\$92/day x 365 days x 3 offenders x 0.5 year) and in FY 2027 a total of \$210,480 (\$92/day x 365 days x 6 offenders). An inflationary factor of 1.5% has been applied for FY 2028 for a total of \$306,753 (\$92/day x 365 days x 9 offenders) and in FY 2029 a total of \$311,287 (\$92/day x 365 days x 9 offenders).

Judiciary

8. HB 514 defines digitally fabricated as using technical means, such as artificial intelligence, to create media that realistically misrepresents an identifiable individual as engaging in conduct in which the identifiable individual did not engage.
9. Section 1 of HB 514 would expand offenses to include obtaining money or valuables from a person by publishing, distributing, or disclosing real or digitally fabricated images.
10. HB 514 would add the act of possessing and threatening to disclose real or digitally fabricated media of sexually explicit images as new offense for a second or subsequent conviction to be convicted as a felony.
11. This section of this legislation may increase District Court workload but the Judicial Branch is unable to estimate the impact on judicial workload or the fiscal impact. The cumulative impact of any legislation creating new offenses may over time require additional judicial resources because court dockets are generally full throughout the state.

Public Defender (OPD)

12. OPD assumes that HB 514 would expand the conduct for which Violating Privacy in Communications offenses can be charged and as a result would increase the number of cases to which OPD would be appointed each year.
13. However, because OPD has no historical data regarding the frequency of this new offense conduct, OPD is unable to determine how many such new Violating Privacy in Communications charges would result from HB 514 nor how many of those charges would be felonies or misdemeanors based on the defendant's prior criminal history.
14. Because OPD's FTE staff is already working at capacity, OPD assumes any increase in cases to which OPD is appointed would be represented by contract public defenders.
15. OPD assumes the estimated cost of representation by contract public defenders would be \$97.50 per hour (\$90 per hour professional services rate plus average travel expenses of \$7.50 per case hour).
16. OPD assumes new misdemeanor Violating Privacy in Communications cases would be weighted at 7 case weight hours and new felony Violating Privacy in Communications cases would be weighted at 10 case weight hours per matter.
17. OPD assumes the total impact of this bill on OPD would be the number of new misdemeanors filed (unknown) times 7 hours per misdemeanor times \$97.50 per hour plus the number of new felonies filed (unknown) times 10 hours per felony times \$97.50 per hour.
18. The cumulative affects of legislation increasing the caseload of OPD, will over time require additional resources.

Fiscal Analysis Table

Department of Corrections				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$50,370	\$201,480	\$306,753	\$311,287
TOTAL Expenditures	\$50,370	\$201,480	\$306,753	\$311,287
<u>Funding of Expenditures</u>				
General Fund (01)	\$50,370	\$201,480	\$306,753	\$311,287
TOTAL Funding of Expenditures	\$50,370	\$201,480	\$306,753	\$311,287
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$50,370)	(\$201,480)	(\$306,753)	(\$311,287)



Sponsor's Initials Date



Budget Director's Initials Date

2/27/2025

Date