

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

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FISCAL IMPACT STATEMENT

LS 6110

BILL NUMBER: SB 17

NOTE PREPARED: Feb 22, 2024

BILL AMENDED: Feb 22, 2024

SUBJECT: Age Verification for Material Harmful to Minors.

FIRST AUTHOR: Sen. Bohacek

FIRST SPONSOR: Rep. King

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires an adult oriented website operator that displays material harmful to minors to use a reasonable age verification method to prevent a minor from accessing an adult oriented website. It creates a cause of action to permit:

- (1) the parent or guardian of a child harmed by a violation of the age verification requirement to obtain monetary damages, injunctive relief, and reasonable attorney's fees; and
- (2) any other person to bring an action to obtain injunctive relief and reasonable attorney's fees.

The bill prohibits a person that conducts age verification from retaining the identifying information of an individual seeking to access an adult oriented website that displays material harmful to minors, and it permits an individual whose identifying information is retained to bring an action to obtain monetary damages, injunctive relief, and reasonable attorney's fees. It requires adult oriented website operators to use commercially reasonable methods to secure all information collected and transmitted.

The bill provides that the Attorney General may bring an action to obtain an injunction, a civil penalty of not more than \$250,000, or the Attorney General's reasonable costs in investigating and maintaining the action. It provides that when the Attorney General has reasonable cause to believe that any person has engaged in, is engaging in, or is about to engage in a violation, the Attorney General is empowered to issue civil investigative demands under IC 4-6-3-3 to investigate the suspected violation.

The bill requires verification information of minors to be kept confidential with certain exceptions. It adds verification information to the definition of "personal information".

The bill also adds a violation of IC 24-4-23 as a deceptive act.

Effective Date: July 1, 2024.

Explanation of State Expenditures: (Revised) *Deceptive Acts:* This bill adds to the list of unfair and deceptive acts that are actionable by the Attorney General (AG). To the extent the AG enforces provisions of this bill, agency workload would increase to investigate and potentially prosecute allegations. Increases in AG workload are expected to be accomplished within existing resource and funding levels.

Explanation of State Revenues: (Revised) *Deceptive Acts:* Unfair and deceptive acts discovered by the AG for a violation of the age verification for material harmful to minors carry a maximum \$250,000 civil penalty for each violation, which is deposited in the General Fund. If this bill increases the number of unfair and deceptive acts discovered in the state, revenue to the General Fund will increase from civil penalties paid by violators. Actual increases in revenue are unknown but expected to be small.

Court Fee Revenue: If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.

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