

Fiscal Note



Fiscal Services Division

<u>HF 2549</u> – False Election Materials, Prohibition (LSB5506HV.1) Staff Contact: Joey Lovan (515.242.5925) <u>joey.lovan@legis.iowa.gov</u> Fiscal Note Version – As amended and passed by the House

Description

<u>House File 2549</u> relates to the use of artificial intelligence in technologies used in elections and the publication of certain materials related to elections. The Bill prohibits the use of artificial intelligence in automatic tabulating equipment, ballot marking devices, and optical scan voting systems approved for use in the State with specified exceptions.

The Bill requires published material generated through the use of artificial intelligence that is designed to expressly advocate for the nomination, election, or defeat of a ballot issue to include a disclosure that the published material was generated using artificial intelligence. A person who fails to include this disclosure may be guilty of a simple misdemeanor punishable by confinement for no more than 90 days and a fine of not more than \$1,000.

The Bill requires that published material designed to expressly advocate the nomination, election, or defeat of a candidate that includes a materially deceptive depiction of a candidate to include a disclosure that the published material has been manipulated. A person who fails to include this disclosure may be guilty of a simple misdemeanor punishable by confinement for no more than 90 days and a fine of not more than \$1,000.

This Bill creates restrictions and penalties for synthetic media and defines terms under newly created lowa Code section 68A.507. The Bill prohibits the creation and distribution of synthetic media messages if a person knows, or should have known, the messages to be a deceptive and fraudulent deepfake of a candidate or party within 90 days of an election if the candidate will appear on a ballot. A person who violates these restrictions may be guilty of a simple misdemeanor, punishable by confinement for no more than 90 days and a fine of not more than \$1,000. A person whose intent is to cause violence or bodily harm may be guilty of a serious misdemeanor. A person who is a repeat violator within a five-year span of a prior conviction may be guilty of a Class D felony.

Background

Currently, the provisions regarding attribution statements on published materials are established in Iowa Code section 68A.405.

A Class D felony is punishable by confinement for no more than five years and a fine of at least \$1,025 but not more than \$10,245. A serious misdemeanor is punishable by confinement for not more than one year and a fine of at least \$430 but not more than \$2,560. A simple misdemeanor is punishable by a fine of at least \$105 but not more than \$855 and confinement for not more than 30 days in lieu of a fine or in addition to a fine.

Assumptions

- Due to the requirements of House File 2549, the Iowa Ethics and Campaign Disclosure Board (IECDB) will need to hire 1.0 full-time equivalent (FTE) Attorney 1 position due to increasing complaints, necessary investigations, and enforcement actions.
- Annual salary and benefits for 1.0 Attorney 1 FTE position are \$77,000.
- The following will not change over the projection period: charge, conviction, and sentencing
 patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and
 other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

House File 2549 creates new criminal offenses, and the correctional impact cannot be estimated for the Bill due to a lack of existing conviction data. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class D felonies and serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, <u>Cost Estimates Used for Correctional Impact Statements</u>, dated January 16, 2024, for information related to the correctional system.

Percent FY 2023 Y23 Field Marginal Percent Sentenced Ordered Avg LOS in Avg LOS Avg Cost Percent Marginal Percent to CBC Marginal Marginal FY23 Field Cost Per Cost Per to State Prison (All Cost Per Ordered to on Per Day or Residential Cost Per Ordered to Avg LOS Day Probation Prison Releases) Day Prison Probation Probation Facility Day CBC **County Jail** Day Jail on Parole Parole Conviction Offense Class 84.4% \$24.94 1.7% 19.2 \$ 20.00 \$ 50.00 7.67 \$24.94 53.0%

Figure 1 — Sentencing Estimate and Length of Stay (LOS)

Minority Impact

House File 2549 establishes new criminal offenses. As a result, Criminal and Juvenile Justice Planning (CJJP) of the Department of Management (DOM) cannot use existing data to estimate the minority impact of the Bill. Refer to the LSA memo addressed to the General Assembly, *Minority Impact Statement*, dated January 16, 2024, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of House File 2549 to the IECDB is an increase in annual costs of \$77,000 for 1.0 additional Attorney 1 FTE position.

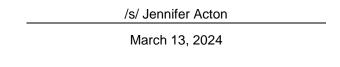
House File 2549 establishes new criminal offenses, and the fiscal impact cannot be estimated due to a lack of existing conviction data. The average State costs for the offenses found within HF 2549 are shown in **Figure 2**. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost will be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$12,600 to \$18,200
Serious Misdemeanor	\$400 to \$6,900
Simple Misdemeanor	\$40 to \$400

Sources

Iowa Ethics and Campaign Disclosure Board Criminal and Juvenile Justice Planning, Department of Management Department of Corrections Legislative Services Agency



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The fiscal note for this Bill was prepared pursuant to <u>Joint Rule 17</u> and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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