

January 27, 2023

The Honorable Mike Thompson, Chairperson
Senate Committee on Federal and State Affairs
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Thompson:

SUBJECT: Fiscal Note for SB 50 by Senator Steffen, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 50 is respectfully submitted to your committee.

Under SB 50, no contract between an interactive computer service and a person that contains terms of service for use of a social media website operated by the service could include provisions that authorize the service to restrict, censor or suppress information, including political information and political expression, unless the information pertains to obscene, lewd, lascivious, filthy, excessively violent, harassing, or other objectional subject matter. Violations could be reported to the Attorney General, who would be required to investigate and could bring action for injunction relief, including a civil penalty. Each instance of interactive computer service contracts with a person containing terms of services that violate the bill would be a separate violation. A person alleging violation of the bill could also bring private action against the interactive computer service.

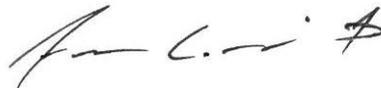
The Office of Judicial Administration indicates that the bill could increase the number of cases filed in district court because it allows the Attorney General or a person to bring a court action for injunctive relief or damages, which would in turn increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also result in the collection of additional docket fees that would be deposited into the State General Fund. However, a fiscal effect cannot be estimated.

The Office of the Attorney General states that enactment of the bill could generate between five to ten complaints per week. Therefore, the agency would require an additional 0.50 FTE Investigator position at a cost of \$38,500 for salaries and wages and an additional \$22,681 for equipment and other operating expenditures for FY 2024. The Office also states that the

constitutionality of this bill could be challenged. The case would likely go through the appellate process to get a definitive ruling, which could take two to four years. The defense could be handled within the agency's existing resources, but the agency notes it is possible that specialized outside counsel could be necessary. If the challenge is successful, the state could be ordered to pay the plaintiff's attorney fees. Any fiscal effect associated with SB 50 is not reflected in *The FY 2024 Governor's Budget Report*.

The Kansas Association of Counties indicates that the bill would not have a fiscal effect on counties.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: John Milburn, Office of the Attorney General
Vicki Jacobsen, Judiciary
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties