



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0268 Introduced on January 10, 2023
Author: Grooms
Subject: Social Media Accountability
Requestor: House Labor, Commerce, and Industry
RFA Analyst(s): Gardner
Impact Date: January 25, 2023

Fiscal Impact Summary

This bill creates a new civil action cause for social media website users whose religious or political speech has, with some exceptions, been deliberately deleted or censored by a social media website and provides for damages, costs, and reasonable attorney fees for the prevailing party. In addition, it creates a new unfair trade practice subject to existing statutory penalties.

Both Judicial and the Office of the Attorney General anticipate being able to perform activities required by this bill within the normal course of business. Therefore, the bill does not have an expenditure impact.

This bill has the potential to increase General Fund revenue from fines, as well as Other Funds revenue of Judicial and any other applicable agency who would otherwise receive a distribution from fine revenue for such an offense, due to the increased fine for offenders convicted in general sessions courts. However, due to the variability in the number of such offenses that might occur in a given year, the revenue impact cannot be determined.

This bill has the potential to increase local revenue from fines due to the increased fine for offenders convicted in general sessions courts. However, due to the variability in the number of such offenses that might occur in a given year, the revenue impact cannot be determined.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill prohibits a social media website from intentionally deleting or censoring a user's religious or political speech or purposely using an algorithm to disfavor, shadow ban, or censure a user's religious or political speech. It also enables a user who has been subject to these actions to bring a claim against the social media website owner or operator. For instances when the owner or operator is found to have purposely deleted or censored the user's speech, a user may be awarded up to \$75,000 in statutory damages per deletion or censoring; actual damages; punitive damages, when aggravating factors are present; and other forms of equitable relief. The prevailing party in such suit may also be awarded costs and reasonable attorney fees. The bill also enables a social media website owner or operator to mitigate any damages by restoring the

user's deleted or censored speech, but the owner or operator may not claim the user's hate speech as a basis or justification for defense. To bring an action under these provisions, the social media website user must be at least 18 years of age, and cases must be heard within South Carolina.

The bill also enables the Attorney General to bring a civil cause of action on behalf of a social media website user whose religious or political speech has been censored by a social media website. The intentional deletion or censoring of a social media website user's religious or political speech and the intentional use of an algorithm to disfavor, shadow ban, or censure a user's religious or political speech constitute an unfair trade practice, an offense punishable by a civil penalty not to exceed \$5,000 per violation. In instances when the Attorney General has issued an injunction, the social media website owner or operator found in violation must forfeit and pay to the State a civil penalty not to exceed \$15,000 per violation.

The bill also provides for some exceptions for the deletion or censoring of a social media website user's speech, including, but not limited to, calls for immediate acts of violence, calls for a user to harm himself, and any copyright or trademark infringement.

Judicial. Judicial reports that as this bill creates a new offense, there is no data available to determine the number of additional hearings or trials that would be heard in general sessions courts. Should there be an increase in caseloads, Judicial will absorb any expenditure impact within current General Fund Resources.

Office of the Attorney General. The implementation of this bill will have no expenditure impact, as the Office of the Attorney General expects to manage any increase in caseloads within current resources.

State Revenue

This bill has the potential to increase General Fund revenue from fines, as well as Other Funds revenue of Judicial and any other applicable agency who would otherwise receive a distribution from fine revenue for such an offense, due to the increased fine for offenders convicted in general sessions courts. However, due to the variability in the number of such offenses that might occur in a given year, the revenue impact cannot be determined.

Local Expenditure

N/A

Local Revenue

This bill has the potential to increase local revenue from fines due to the increased fine for offenders convicted in general sessions courts. However, due to the variability in the number of such offenses that might occur in a given year, the revenue impact cannot be determined.



Frank A. Rainwater, Executive Director