FISCAL NOTE

HB 2163 – SB 2668

February 8, 2024

SUMMARY OF BILL: Clarifies, for the purposes of sexual exploitation of children offenses, that the term "material" includes computer-generated images created, adapted, or modified by artificial intelligence. Defines "artificial intelligence" and "generative artificial intelligence".

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 39-17-1002(2)(E), for the purposes of sexual exploitation of children offenses, the term "material" means any computer image, or computer-generated image, whether made or produced by electronic, mechanical, or other means.
- The proposed legislation clarifies that the term "material" includes an image created, adapted, or modified by artificial intelligence.
- Per the language of the legislation, artificial intelligence means a machine-based system that:
  - Can, for a given set of human-defined objectives, make predictions, recommendations, or decisions; influence real and virtual environments without significant human oversight; or that can learn from experience in an automated manner and improve such performance when exposed to data sets; or
  - Is developed in any context, including software or physical hardware, and solves tasks requiring human-like perception, cognition, planning, learning, communication, or physical action; and
  - Includes generative artificial intelligence, or an artificial intelligence system that is capable of creating new content or data, including text, images, audio, or video, when prompted by an individual.
- Per the language of the legislation, "generative artificial intelligence" means an artificial intelligence system that is capable of creating new content or data, including text, images, audio, or video, when prompted by an individual.
- Pursuant to Tenn. Code Ann. § 39-17-1003(d), sexual exploitation of a minor is either a Class D, C, or B felony offense, depending on the number of images and material possessed.

- Pursuant to Tenn. Code Ann. § 39-17-1004(a)(4), aggravated sexual exploitation of a minor is either a Class C or Class B felony, depending on the number of images and material possessed.
- Pursuant to Tenn. Code Ann. § 39-17-1005(d), especially aggravated sexual exploitation of a minor is a Class B felony offense.
- It is reasonably assumed that individuals who possess computer-generated images created, adapted, or modified by artificial intelligence pursuant to the proposed legislation, are currently charged with a sexual exploitation of children offense if they possess computer-generated images, pursuant to Tenn. Code Ann. § 39-17-1002(2)(E).
- There will not be a sufficient change in the number of prosecutions for state or local government to experience any significant change in revenue or expenditures.
- Any fiscal impact will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista Lee Carsner

Krista Lee Carsner, Executive Director

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