Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 1649
Bill #: HB 445
Bill Subject/Title: AN ACT relating to the protection of critical infrastructure.
Sponsor: Rep. Will Coursey
Unit of Government:XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment
Office(s) Impacted: Jails, Law Enforcement
Requirement: <u>X</u> Mandatory Optional
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing

Part II: Purpose and Mechanics

HB 445 aims to protect pieces of infrastructure deemed "critical infrastructure" from surveillance by making a misdemeanor of the use of a drone (unmanned aircraft) for the purpose of gathering evidence, surveilling, or electronically recording without the prior written consent of the owner of the piece of critical infrastructure. A violation of this new section would be a Class B misdemeanor for the first offense, and a Class A misdemeanor for a second or subsequent offense.

The bill does contain several exemptions. A person is not prohibited from operating an unmanned aircraft to document a piece of critical infrastructure that is located on his or her own property. Additionally a third person operating an unmanned aircraft who is retained by the owner of the property to conduct surveillance of the property is protected, as are insurance companies operating unmanned aircraft for the purpose of underwriting an insurance risk or investigating damage to insured property.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

In essence, Section 2 of HB 445 makes it a Class B misdemeanor to operate an unmanned aircraft for the purpose of observing and documenting what is deemed a critical piece of

infrastructure. A Class A misdemeanor would be applied for a second or subsequent offense. The cost of this provision is difficult to estimate. There have been few reported incidents in the state regarding drones that would fall under this prohibition. Of course, as the prevalence of drone use goes up so too does the possibility for this behavior to be exhibited.

Local governments are responsible for the cost of incarcerating individuals charged with Class A or Class B misdemeanors and felony defendants until dispositions of the case. The actual expense for keeping those convicted varies from by jail. The Department of Corrections estimates cost based on a charge of \$31.92 per day, which equals the per diem and medical that DOC pays jails to house felony offenders.

A Class B misdemeanor carries a potential sentence of up to 90 days in jail. 1 class misdemeanant would therefore cost up to \$2,873. A Class A misdemeanor carries a potential sentence of 90 days to 1 year in jail. The Department of Corrections estimates that this would cost \$2,873 to \$11,650 for one Class A misdemeanant. The Department also projects the impact of this bill to be minimal upon local governments.

Additionally, the Kentucky League of Cities points out that it is possible this bill may have a positive fiscal impact on cities and local governments. Section 3 of this bill would hold a violator of this law liable for any actual damages suffered or a fine of \$10,000, whichever is greater, and, if the violation resulted in profit to the violator, a fine of 3 times the actual profit or \$10,000, whichever is greater. Since the owner or operator of many of these pieces of critical infrastructure is a governmental agency or unit, it is possible that the financial impact of administering jail time to misdemeanants is mitigated by recovery from fines.

Data Source(s): <u>LRC Staff; KLC; DOC</u>

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