

PRISON/JAIL POPULATION COST ESTIMATE STATEMENT
NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY 2019

HOUSE BILL NO. 1050

**AN ACT TO REVISE CERTAIN PROVISIONS REGARDING THE USE AND POSSESSION
OF SCANNING DEVICES AND REENCODERS.**

A prison/jail population cost estimate statement is required for HB1050 because it changes the penalty for owning or possessing a scanning device or reencoder with the intent use the device from a Class 1 misdemeanor to a Class 6 felony. It also removes the requirement under current law that the device be used with the intent to defraud. Additionally, it creates a Class 6 felony for a person owning or possessing a scanning device or reencoder with knowledge that a person other than an authorized user, the issuer of the authorized user's payment card, or a merchant intends to use the scanning device or reencoder to obtain information encoded or embedded on a payment card without the permission of the authorized user, the issuer of the authorized user's payment card, or any merchant. Finally, the bill adds computer chip technology to the definitions of "reencoder" and "scanning device".

In order to analyze any impact of HB 1050, the Legislative Research Council first looked for violations under SDCL 22-40-12 to 22-40-14, inclusive. From 2008 to 2018 there were zero charges or convictions under any of the above statutes. Charges resulting from this type of activity are normally processed under various theft statutes under SDCL title 22.

HB 1050 describes a crime that if prosecuted could result in a prison or jail sentence. However, given the lack of convictions under the existing statutes, a violation and prosecution is likely to be rare. Therefore, the impact on prison or jail populations is estimated to be low.

Approved: /S/ Jason Hancock
Director, Legislative Research Council

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