

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: RN 11 23443  
POSITION: Neutral

BILL NUMBER: SB 550  
AUTHOR: A. Padilla

**BILL SUMMARY: Business: Manufactured Optical Disc**

This bill would authorize law enforcement officers to perform inspections at commercial optical disc manufacturing facilities during regular business hours, without providing prior notice or obtaining a warrant, and authorizes them to take inventory, review, inspect, remove, and detain for as long as reasonably necessary any optical disc, production part, or record. The bill would require the optical disc manufacturer to mark the disk by molding, die stamping, etching or other permanent method so the mark will be clearly visible without magnification and would prohibit the optical disc manufacturer from possessing or owning equipment unless it has been adapted to apply the required identification mark. The bill would also revise the amount of the fine for violating anti-piracy laws from between \$500 and \$5,000 to between \$500 and \$25,000 for the first violation and from between \$5,000 and \$50,000 to between \$5,000 and \$250,000 for second and subsequent violations.

**FISCAL SUMMARY**

The bill would not result in additional cost to the state.

This bill would not result in a reimbursable mandate because costs to local government which result from legislation defining a new crime or changing an existing definition of a crime are not reimbursable by the state.

**COMMENTS**

Finance is neutral on the bill because it provides law enforcement with additional tools to detect and enforce anti-piracy laws for optical disks (CDs and DVDs) by allowing the search of manufacturers by law enforcement officers that are assigned to high-technology crime or intellectual piracy investigations, provided the inspections are conducted during regular business hours and are limited to the areas where manufacturing equipment is located. Additionally, requiring specified markings will increase law enforcement's ability to identify pirated disks.

Opponents have expressed concerns that search of optical disc manufacturers without warrants would be contrary to the Fourth Amendment of the United States Constitution by allowing potentially unreasonable searches and seizures. The sponsors, however, believe that there are sufficient limitations to overcome this objection.

Existing law requires an optical disc manufacturer to permanently mark each disk so that it identifies the name of the manufacturer and the state in which the optical disc was manufactured or a code can be used that identifies the manufacturer and state to the law enforcement officer.

There are five high technology crime task forces throughout the state, which are comprised largely of sheriff deputies and police officers.

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Analyst/Principal (0741) P. Abahazi	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

**BILL NUMBER**

A. Padilla

RN 11 23443

SB 550

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	
9990/Var Depts	SO	No		-----	No/Minor	Fiscal Impact	-----		0001