

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1964H.01I
Bill No.: HB 932
Subject: Internet and E-Mail; Liability; Business and Commerce
Type: Original
Date: February 12, 2021

Bill Summary: This proposal establishes civil liability for certain companies that censor content.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator**, the **Attorney General's Office**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development** and the **Office of the Secretary of State** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the Office of Administration (OA) did not respond to **Oversight's** request for fiscal impact for this proposal. Upon the receipt of OA's response, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT –</u> <u>Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses who operate as a computer service provider and who are not immune from civil liability under federal law, are not considered a publisher, have over 1 million users or are a provider of a social media site could be impacted from this proposal.

FISCAL DESCRIPTION

This bill specifies that if an interactive computer service provider restricts, censors, or suppresses content that is protected by the Free Speech Clause of Amendment I of the U.S. Constitution, the provider is liable in a civil action to a person whose content was restricted, censored, or suppressed and to any person who would have reasonably received the content. A person whose content is restricted, censored, or suppressed or a person who reasonably would have received the content is entitled to civil damages as specified in the bill. The court may also award punitive

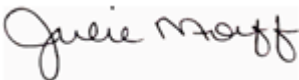
damages. An action for civil damages may be brought in the civil court in which the person resides. The court must award attorney's fees to a prevailing plaintiff.

A provider may state affirmatively in its terms of service that the provider is a publisher. If the terms are agreed to by the person whose content is restricted, censored, or suppressed and by a person who would have received the content, the provider is not liable. The provisions of the bill only apply if the provider is immune from civil liability under federal law, is not considered a publisher, has over 1 million users, and is a provider of a social media site.

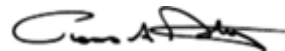
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Attorney General's Office
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Office of the Secretary of State



Julie Morff
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February 12, 2021



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February 12, 2021