

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4014H.02C
 Bill No.: HCS for HB Nos. 1993, 1855, 1426 & 2157
 Subject: Children and Minors; Internet and E-Mail; Liability; Civil Procedure
 Type: Original
 Date: March 12, 2024

Bill Summary: This proposal establishes provisions relating to civil liability for publishing or distributing material harmful to minors on the internet.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§537.104 – Civil Liability for Distributing Material Harmful to Minors on the Internet

Officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Mental Health**, the **Department of Commerce and Insurance**, the **Missouri Highway Patrol**, the **Department of Social Services**, the **Joint Committee on Administrative Rules**, 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.

In response to a previous version, officials from the **Office of the State Courts Administrator** and the **Attorney General’s Office** each assumed 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small business law firms could be impacted as a result of this proposal.

FISCAL DESCRIPTION

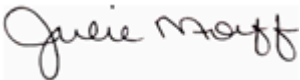
This bill requires any commercial entity that knowingly or intentionally publishes or distributes on the Internet material harmful to minors, as defined in the bill, to verify that any person attempting to access the material is at least 18 years old. The requirement to verify the age of

users only applies to websites for which more than 33 1/3% of the total material meets the definition of material harmful to minors. Any commercial entity that violates these provisions will be subject to civil liability for damages resulting from a minor's access to the material. The bill does not impose an obligation or liability on a provider or user of an interactive computer service on the Internet.

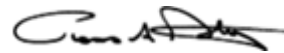
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Attorney General's Office
Department of Commerce and Insurance
Missouri Highway Patrol
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Mental Health
Department of Social Services
Joint Committee on Administrative Rules
Office of the Secretary of State



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March 12, 2024



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March 12, 2024