

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0209H.04C
Bill No.: HCS for HB 236
Subject: Children and Minors; Internet and E-Mail; Liability; Civil Procedure
Type: Original
Date: February 16, 2025

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 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
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 Commerce and Insurance**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Missouri Highway Patrol**, the **Department of Social Services** and the **Office of the Secretary of State** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

In response to a previous version, officials from the **Office of the State Courts Administrator** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight notes that according to the 2020 US Census for the State of Missouri, there were 1,379,301 minors ages 0 to 17. Assuming if only 0.1% of the parents of those minors are impacted by the proposed legislation, this could potentially result in 1,379 new liability claims. Oversight could not find any information on the number of potential liability claims related to age-verification methods; therefore, Oversight assumes the number of new claims is ultimately unknown.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight will adopt their assumption and will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027	FY 2028
	<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 for which it is the regular course of business to publish or distribute in the State a website in which at least 33% of the material published is harmful to minors, as defined in the bill, to verify that any person attempting to access the material is at least 18 years old. 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 prohibits the age-verification provider from retaining any identifying information of the individual after access has been granted or denied to the material, and does not impose an obligation or liability on a provider or user of an interactive computer service on the Internet. This bill has an emergency clause.

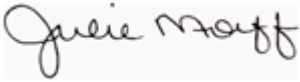
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

- Office of the State Courts Administrator
- Attorney General’s Office
- Department of Commerce and Insurance
- Department of Elementary and Secondary Education
- Department of Higher Education and Workforce Development
- Department of Labor and Industrial Relations
- Department of Revenue
- Missouri Highway Patrol

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Department of Social Services
Office of the Secretary of State



Julie Morff
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February 16, 2025



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