

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0209H.04P  
Bill No.: Perfected HCS for HB 236  
Subject: Children and Minors; Internet and E-Mail; Liability; Civil Procedure  
Type: Original  
Date: February 26, 2025

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

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                 | <b>FY 2026</b> | <b>FY 2027</b> | <b>FY 2028</b> |
|  |                |                |                |
|  |                |                |                |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2026</b> | <b>FY 2027</b> | <b>FY 2028</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>Other State Funds</u></b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

Numbers within parentheses: () indicate costs or losses.

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

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2026</b> | <b>FY 2027</b> | <b>FY 2028</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- 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.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2026</b> | <b>FY 2027</b> | <b>FY 2028</b> |
|  |                |                |                |
|  |                |                |                |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

**FISCAL ANALYSIS**

**ASSUMPTION**

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

Officials from the **Office of the State Courts Administrator**, 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.

**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           |
|---|-------------------|-------------------|-------------------|
|   |                   |                   |                   |
|   | <b><u>\$0</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
|   |                   |                   |                   |

| <u>FISCAL IMPACT – Local Government</u> | FY 2026           | FY 2027           | FY 2028           |
|---|-------------------|-------------------|-------------------|
|   |                   |                   |                   |
|   | <b><u>\$0</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
|   |                   |                   |                   |

FISCAL IMPACT – Small Business

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

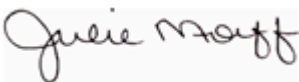
FISCAL DESCRIPTION

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  
Department of Social Services  
Office of the Secretary of State



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