

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1501H.01I  
Bill No.: HB 706  
Subject: Children and Minors; Labor and Management; Employees - Employers; Internet and E-Mail; Guardians  
Type: Original  
Date: March 11, 2025

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Bill Summary: This proposal modifies provisions of child labor laws and provides additional employment requirements for children engaged in online content creation or vlogging.

**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>
General Revenue*	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\*Oversight assumes the general revenue transferred for the DOLIR FTEs into the Child Labor Enforcement Fund could reach the \$250,000 threshold.

<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>
Child Labor Enforcement Fund (0826)*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

\*Oversight assume the fund will net to zero.

<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>
Child Labor Enforcement Fund (0826)*	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on FTE</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</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

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume the Division of Labor Standards is the enforcing authority of Chapter 294. HB 706 would add provisions, which would fall under the purview of the Division, including the making a determination of who is classified as a 'vlogger' in Section 294.011. The added provisions also require extensive review of vlog content to determine whether or not the likeness, name, or photograph of a child is included in thirty percent of a vlogger's content for which they were compensated in a thirty day period, ensuring that content which featured an individual is deleted should they request such upon reaching the age of majority, and ensuring that the appropriate records are maintained by vloggers whose content features a child under sixteen years of age as outlined by Section 294.035. Section 294.036 stipulates that a vlogger must deposit gross earnings into a trust for the benefit of children whose likeness, name, or photograph is included in a video segment.

The enforcement mechanism described in the bill is a private right-of-action the child may bring to the court system. However, as the Director of Labor Standards is the enforcing authority for all provisions found in Chapter 294, per RSMo 294.090, this would require investigation of complaints related to these new provisions. Historically, youth employment under the direct supervision of a parent has been exempt from Chapter 294. This proposal appears to supersede that policy. As it is currently unknown how many children are engaged in the act of vlogging for compensation, or are not vlogging for compensation but are featured in vlogs, there is an unknown, but possibly significant, impact to the Department as a result of the provisions of this bill.

Furthermore, in response to the similar proposal, HB 1998 -2024, the **DOLIR** noted these provisions will likely necessitate a substantial expansion of the wage and hour division or a completely new division related to reviewing vlog content and the issuing of information which complainants can take to the courts like a minimum wage complaint. The census shows 1,521,228 youth aged 0 to 19 in the 2020 census. If an estimated 2% of children only in this state were the subject of a complaint as outlined in this bill, that's still 30,424 complaints, which dwarfs the 1,276 complaints received for minimum wage complaints. This would necessitate an unknown but potentially highly significant cost if they were to be enforcing these provisions.

**Oversight** provides current Data [FY 2026 DOLIR Budget Request Governor's Recommendations Program Book](#) (p.17) that deal with disputes including Minimum wage complaints, Youth employment, and Prevailing Wage in table below:

Numbers are not unduplicated between categories			FY 2022		FY 2023		FY 2024		FY 2025	FY 2026	FY 2027
			Projected	Actual <sup>1</sup>	Projected	Actual <sup>1</sup>	Projected	Actual <sup>3</sup>	Projected	Projected	Projected
<b>Minimum Wage</b>											
Businesses and Employees Assisted			18,857	19,514	19,423	19,623	20,066	24,485	24,975	25,475	25,985
Complaints Received			885	1,215	912	1,276	939	1,453	1,482	1,512	1,542
Complaints Closed			921	1,201	949	1,211	977	1,403	1,431	1,460	1,489
<b>Youth Employment</b>											
Businesses and Employees Assisted			3,867	6,261	3,983	3,598	4,102	2,165	2,208	2,252	2,297
Complaints Received			9	67	9	37	9	15	15	15	15
Complaints Closed			17	67	18	32	19	14	14	14	14
Youth Work Certificates Issued <sup>2</sup>			6,831	10,152	7,036	10,086	9,985	8,972	9,151	9,334	9,521
<b>Prevailing Wage</b>											
Businesses and Employees Assisted			2,416	3,372	2,488	2,740	2,563	2,871	2,928	2,987	3,047
Complaints Received			54	32	56	46	58	28	29	30	31
Complaints Closed			47	34	48	42	49	23	23	23	23

**Oversight** notes there were 2,165 business and employees assisted, and 8,972 youth employment certifications issued, where DOLIR reviewed youth work certification and entertainment permits to protect rights, safety, and education of working youth in Missouri.

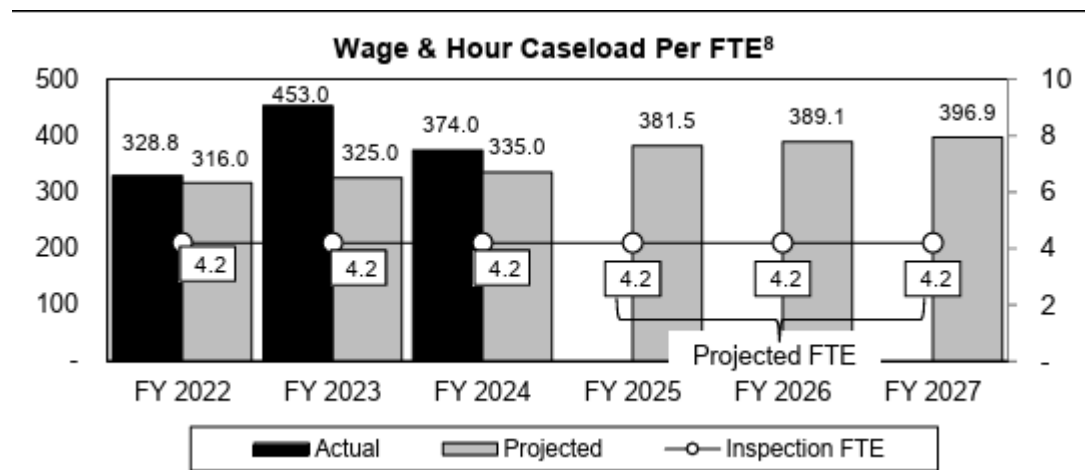
**Oversight** notes the costs to the Wage and Hour Program provided within the current budget request as follows:

	FY 2022 Actual		FY 2023 Actual		FY 2024 Actual		FY 2025 Planned	
	Funds	FTE	Funds	FTE	Funds	FTE	Funds	FTE
Minimum Wage	\$123,234	2.77	\$114,191	2.44	\$148,589	3.15	\$169,608	2.77
Prevailing Wage	\$70,711	1.39	\$90,461	1.73	\$80,552	1.59	\$109,444	1.39
Wage and Hour	\$35,394	0.70	\$42,406	0.90	\$39,596	0.84	\$42,830	0.70
Youth Employment	\$79,676	1.66	\$49,521	0.97	\$39,646	0.72	\$95,174	1.66
<b>TOTAL</b>	<b>\$309,015</b>	<b>6.52</b>	<b>\$296,579</b>	<b>6.04</b>	<b>\$308,383</b>	<b>6.30</b>	<b>\$417,056</b>	<b>6.52</b>

\*Page 20 of the FY 2026 DOLIR Budget Request Governor's Recommendations Program Book report in Programs Book.

**Oversight** notes that DOLIR paid \$55,064 (\$39,646/0.72 and rounded to nearest dollar) from Child Labor Enforcement Fund for each FTE investigating in 2024 as shown in above table.

**Oversight** notes that each employee was able to investigate 94 such cases per (1) FTE (374 cases /4 FTE), in FY 2024, as shown in table below:



\*Page 19 of the Y 2026 DOLIR Budget Request Governor's Recommendations Program Book report in Program Book.

**Oversight** notes DOLIR assumes this proposal could potentially yield additional complaints, potentially in thousands, causing significant cost for the Department. If only five new FTE needed to be hired to investigate such a complaint the cost would reach the 250,000 (5 x \$55,064) threshold. Therefore, Oversight will show Unknown transfer out of the general revenues and corresponding transfer into the Child Labor Enforcement Fund in the Fiscal note beginning FY 2026.

Officials from the **Department of Elementary and Secondary Education**, the **Office of Administration**, the **Office of Administration – Administrative Hearing Commission**, the **Department of Natural Resources**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Office of Administration**, the **University of Missouri**, the **University of Central Missouri**, the **Northwest Missouri State University**, the **City of Kansas City**, and the **City of O'Fallon** each assume 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 for the above respective organizations.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (6 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - §294.011, §294.035, and §294.036 Vlogger Enforcement	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>CHILD LABOR ENFORCEMENT FUND (0826)</b>			
<u>Transfer In</u> – from GR for §294.011, §294.035, and §294.036 Vlogger Enforcement	Unknown	Unknown	Unknown
<u>Costs</u> – DOLIR FTE investigation and enforcement under §294.011, §294.035, and §294.036 Vloggers			
Personnel Service	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Fringe Benefits	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Expense & Equipment	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Total Costs</u> -	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FTE Change	Unknown FTE	Unknown FTE	Unknown FTE
<b>ESTIMATED NET EFFECT ON CHILD LABOR ENFORCEMENT FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (6 Mo.)	FY 2027	FY 2028
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This bill amends the Child Labor Law. The bill includes definitions for various terms such as "family"; "vlog"; "vlogger"; and "online platform".

As specified in the bill, upon reaching the age of majority, any individual who was a child engaged in the work of vlogging, as described in the bill, may request the permanent deletion of any video segment or content including the likeness, name, or photograph of the individual from any online platform that provided compensation to the individual's parent or parents in exchange for that video content.

A vlogger whose vlog content features a child under 16 years of age engaged in the work of vlogging is required to maintain records as described in the bill and provide the records to the child on an ongoing basis. Failure to maintain the records could result in a civil action brought by the child to enforce the provisions.

The bill specifies that a vlogger who features a minor child in a specified amount of the vlogger's content shared on an online platform must set aside a specified amount of gross earnings on the video content in a trust account to be preserved for the benefit of the minor upon reaching the age of majority.

The bill sets forth the requirements relating to the trust account and authorizes a child to bring a civil action if a vlogger knowingly and recklessly violates the provisions in the bill.

This bill has an effective date of January 1, 2026.

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

Department of Labor and Industrial Relations  
Department of Natural Resources  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Department of Transportation  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Office of Administration  
City of Kansas City  
City of O'Fallon  
Office of the Secretary of State  
Joint Committee on Administrative Rules

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Missouri University System  
Northwest Missouri State University  
University of Central Missouri

A handwritten signature in black ink that reads "Julie Morff". The script is cursive and fluid.

Julie Morff  
Director  
March 11, 2025

A handwritten signature in black ink that reads "Jessica Harris". The script is cursive and fluid.

Jessica Harris  
Assistant Director  
March 11, 2025