

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4792H.011  
 Bill No.: HB 2361  
 Subject: Children and Minors; Internet and E-Mail; Science and Technology  
 Type: Original  
 Date: February 16, 2026

Bill Summary: This proposal establishes provisions relating to altered sexual depictions.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030 )
General Revenue*	(\$46,346 to Unknown)	(\$113,455 to Unknown)	(\$162,013 to Unknown)	(\$200,665 to Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$46,346 to Unknown)</b>	<b>(\$113,455 to Unknown)</b>	<b>(\$162,013 to Unknown)</b>	<b>(\$200,665 to Unknown)</b>

\*DOC notes that current capacity will be met by July 2029 (FY 2030) or potentially much sooner. Therefore, Oversight has made the decision to reflect the marginal cost of incarceration up to an unknown cost if DOC needs to add staff and/or rehabilitate, expand or construct additional capacity. Oversight assumes the unknown cost has the potential to exceed \$250,000.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
<b>Total Estimated Net Effect on <u>Other State Funds</u></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
<b>Total Estimated Net Effect on FTE</b>	<b>0</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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Office of Prosecution Services** did not respond to **Oversight's** request for fiscal impact for this proposal.

#### §537.585 – Provisions Relating to Altered Sexual Depictions

Officials from the **Department of Corrections (DOC)** state this bill creates §537.585 which would make it illegal to generate, solicit, promote or possess with intent to do any of the mentioned with altered sexual image of an identifiable person. Websites, forums, and other venues/services that fail to remove altered sexual images of an identifiable person after receiving a legitimate request to do so would also be subject to penalties.

Generating/soliciting, promoting, or possessing an altered sexual image of an identifiable person would be considered a class C felony offense. Failure of venues/services to remove altered sexual images of an identifiable person would be considered nonviolent class E felony offenses. As these are new crimes, there is little direct data on which to base an estimate, and as such, the DOC estimates an impact comparable to the creation of a new class C felony and E felony.

For each new class C felony, the DOC estimates four people could be sentenced to prison and six to probation. The average sentence for a class C felony offense is 6.9 years with 2.1 years to first release. The remaining 3.2 years could be on parole. Probation sentences could be 3 years.

The cumulative impact on the department is estimated to be 15 additional offenders in prison and 19 additional offenders on field supervision by FY 2030.

For each new nonviolent class E felony, the DOC estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years with 1.4 years to first release. The remaining 1.3 years could be on parole. Probation sentences could be 3 years.

The cumulative impact on the department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2029.

#### Combined Cumulative Impact of New Offenses

The cumulative impact of the new Class E and Class C felonies would be 17 additional offenders in prison and 26 additional offenders in field supervision by FY 2030.

	# to prison	Cost per year	Total Costs for <b>prison</b>	Change in probation & parole officers	Total cost for <b>probation and parole</b>	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	5	(\$11,123)	(\$46,346)	0	\$0	8	(\$46,346)
Year 2	10	(\$11,123)	(\$113,455)	0	\$0	16	(\$113,455)
Year 3	14	(\$11,123)	(\$162,013)	0	\$0	25	(\$162,013)
Year 4	17	(\$11,123)	(\$200,665)	0	\$0	26	(\$200,665)
Year 5	17	(\$11,123)	(\$204,678)	0	\$0	30	(\$204,678)
Year 6	17	(\$11,123)	(\$208,772)	0	\$0	34	(\$208,772)
Year 7	17	(\$11,123)	(\$212,947)	0	\$0	38	(\$212,947)
Year 8	17	(\$11,123)	(\$217,206)	0	\$0	38	(\$217,206)
Year 9	17	(\$11,123)	(\$221,550)	0	\$0	38	(\$221,550)
Year 10	17	(\$11,123)	(\$225,981)	0	\$0	38	(\$225,981)

The DOC will assume a marginal cost (multiplied by number of offenders) for any projected increase or decrease in the incarcerated population. Marginal cost is \$30.47 per day or an annual cost of \$11,123 per offender which includes costs such as medical, food, wages and operational E&E. The unknown amount is a result of the uncertainty in the growth of the underlying offender population. The impact of any new legislation combined with the growth of the underlying population could result in the tiered approach below in order to meet the population demands.

1. Fully staffing the current capacity (27,368) which is habitable, but DOC does not have the staffing resources for all bed space.
2. Rehabilitating current space that is not currently habitable and obtaining staffing resources for that space (requires capital improvements).
3. Expanding new capacity by adding housing units or wings to existing prisons and obtaining staffing resources for that space (requires capital improvements).
4. Constructing a new prison and obtaining staffing resources. Based on current construction projects in other Midwest states, the DOC estimates the cost of constructing a new 1,500-bed maximum security prison at approximately \$825 million to \$900 million plus annual operating costs of approximately \$50 million (requires capital improvements).

The DOC's population projections indicate current physical capacity will be met by July 2029; however recent trends indicate that capacity could be met much sooner. Should new construction be the result of the increasing offender population, the full cost per day per offender would be used which is \$106.96 or an annual cost of \$39,040. This includes all items in the marginal cost calculation plus fringe, personal service, utilities, etc.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

\* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

**Oversight** has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by DOC.

Officials from the **Office of the State Public Defender (SPD)** state per the National Public Defense Workload Study, the new charge contemplated by §573.585, creating a class C felony, would take approximately fifty-seven hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional three attorneys. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses.

**Oversight** assumes this proposal will create a minimal number of new cases and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

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

**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.

Officials from the **Department of Commerce and Insurance, Department of Natural Resources, Department of Labor and Industrial Relations, Department of Public Safety, Divisions of: Capital Police, Director's Office and Missouri Highway Patrol,** the

**Department of Social Services, Missouri Department of Conservation, Missouri National Guard, Office of Administration, Office of the State Courts Administrator, University of Missouri System, City of Kansas City, City of Springfield, Phelps County Sheriff, Branson Police Department, Blue Springs Police Department, Kansas City Police Department, St. Louis County Police Department, Northwest Missouri State University and the University of Central Missouri** 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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, county commissioners and clerks, other local law enforcement agencies, schools and community colleges were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2030)
<b>GENERAL REVENUE</b>				
<u>Cost – DOC (§537.585) Increase in incarceration and probation and parole costs p.3-5</u>	(\$46,346 to Unknown)	(\$113,455 to Unknown)	(\$162,013 to Unknown)	(\$200,665 to Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(\$46,346 to Unknown)</b>	<b>(\$113,455 to Unknown)</b>	<b>(\$162,013 to Unknown)</b>	<b>(\$200,665 to Unknown)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2030)
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

This bill enacts provisions relating to altered sexual depictions.

A person commits the offense of generating, soliciting, promoting, or possessing with the intent to promote an altered sexual depiction of an identifiable person if the person:

- (1) Generates any altered sexual depiction of an identifiable person without the consent of the identifiable person;
- (2) Solicits any altered sexual depiction of an identifiable person without the consent of the identifiable person and knows or reasonably should know that the visual depiction is an altered sexual depiction; or
- (3) Willfully and maliciously promotes, or possesses with the intent to do so, any altered sexual depiction of an identifiable person without the consent of the identifiable person and knows or reasonably should know that such visual depiction is an altered sexual depiction.

This offense is a class C felony, and every act, thing, or transaction prohibited by this provision is a separate offense.

The presence of a disclaimer within an altered sexual depiction notifying a viewer that the depicted person did not consent to or participate in the generation or promotion of the material, or that the person did not actually perform the portrayed actions, is not a defense.

An aggrieved individual can initiate a civil action against a person violating the provisions of this bill to obtain appropriate relief, including injunctive relief, monetary damages, and attorney's fees and costs.

This bill requires covered platforms, as that term is defined in the bill, to establish a process whereby an identifiable person or an authorized person acting on that person's behalf can notify the covered platform of a published altered sexual depiction on the covered platform, and submit a request to remove the altered sexual depiction. The bill specifies what must be included in the request for removal, and requires the covered platform to post on the platform a clear notice of the notification and removal process.

Upon receipt of a valid removal request, the covered platform must remove the depiction and any known copies of such depiction as soon as practicable, but not later than 48 hours after receiving the request to remove. Failure to reasonably comply with the provisions of notification and removal described in this bill will be treated as an unfair practice under current law.

A covered platform is not liable for any claim based on the platform's good faith disabling of access to, or removal of, material claimed to be a nonconsensual altered sexual depiction based on facts or circumstances from which the unlawful publishing of an altered sexual depiction is apparent, regardless of whether the depiction is ultimately determined to be unlawful.

The bill describes certain entities for which the provisions of this bill relating to the notification and removal requirements do not apply, including an information or telecommunications service, email, and certain online services, applications, or websites.

Additionally, the bill describes certain entities for which the criminal and civil penalties do not apply, including a provider of an interactive computer service, a law enforcement officer, a person reporting unlawful activity, and a participant in a hearing, trial, or other legal proceeding.

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

Attorney General's Office  
Department of Commerce and Insurance  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Public Safety –  
    Capitol Police  
    Director's Office  
    Missouri Highway Patrol  
Department of Social Services  
Missouri Department of Conservation  
Missouri National Guard  
Office of Administration  
Office of the State Courts Administrator  
Office of the State Public Defender  
University of Missouri System  
City of Kansas City  
City of Springfield  
Phelps County Sheriff  
Branson Police Department  
Blue Springs Police Department  
Kansas City Police Department

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