

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5643H.011
 Bill No.: HB 2392
 Subject: Business and Commerce; Merchandising Practices; Children and Minors
 Type: Original
 Date: March 19, 2026

Bill Summary: This proposal establishes the "Missouri Social Media Safety for Minors Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(\$18,538 to Unknown)	(\$45,382 to Unknown)	(\$46,289 to Unknown)
Total Estimated Net Effect on General Revenue	(\$18,538 to Unknown)	(\$45,382 to Unknown)	(\$46,289 to Unknown)

*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
Merchandising Practices Revolving Fund (1631)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§407.3475 - Missouri Social Media Safety for Minors Act

Officials from the **Department of Corrections (DOC)** assume this proposal establishes the "Missouri Social Media Safety for Minors Act".

DOC assumes Section 407.3475 creates provisions restricting any social media platform from permitting a person under the age of sixteen years of age from creating or maintaining an account. A minor sixteen years of age or older may hold an account only with the verified consent of a parent or legal guardian. A violation of this section is considered an unlawful merchandising practice under section 407.020 and 407.095, and therefore subject to a class E felony.

As these are new crimes, there is little direct data on which to base an estimate, and as such, the department estimates an impact comparable to the creation of two new class E felonies.

For each new nonviolent class E felony, the department 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 will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 4 additional offenders in prison and 14 additional offenders on field supervision by FY 2029.

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total cost for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	2	(\$11,123)	(\$18,538)	0	\$0	4	(\$9,269)
Year 2	4	(\$11,123)	(\$45,382)	0	\$0	8	(\$22,691)
Year 3	4	(\$11,123)	(\$46,289)	0	\$0	14	(\$23,145)
Year 4	4	(\$11,123)	(\$47,215)	0	\$0	14	(\$23,608)
Year 5	4	(\$11,123)	(\$48,160)	0	\$0	14	(\$24,080)
Year 6	4	(\$11,123)	(\$49,123)	0	\$0	14	(\$24,561)
Year 7	4	(\$11,123)	(\$50,105)	0	\$0	14	(\$25,053)
Year 8	4	(\$11,123)	(\$51,107)	0	\$0	14	(\$25,554)
Year 9	4	(\$11,123)	(\$52,129)	0	\$0	14	(\$26,065)
Year 10	4	(\$11,123)	(\$53,172)	0	\$0	14	(\$26,586)

The department 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 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 department 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 department'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 does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

Oversight assumes subsection 407.3475.12 states that the Attorney General can enforce the provisions of this bill and seek civil penalties of up to \$50,000 per violation, plus injunctive relief and attorney's fees. A parent or legal guardian of a minor harmed by a violation can bring a civil action for damages.

Since it is unknown if there will be any fine revenue collected as a result of this proposal, Oversight will reflect a \$0 (no penalties are collected) or Unknown revenue to the Merchandising Practices Revolving Fund.

Officials from the **Department of Commerce and Insurance, Department of Public Safety - Missouri Highway Patrol, the Office of the State Public Defender and Office of the State Courts Administrator** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DOC (\$407.3475) Increased incarceration costs p.3-4</u>	(\$18,538 to <u>Unknown</u>)	(\$45,382 to <u>Unknown</u>)	(\$46,289 to <u>Unknown</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$18,538 to <u>Unknown</u>)	(\$45,382 to <u>Unknown</u>)	(\$46,289 to <u>Unknown</u>)
MERCHANDISING PRACTICES REVOLVING FUND (1631)			
<u>Revenue Gain - (\$407.3475) Civil Penalties p.5</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE MERCHANDISING PRACTICES REVOLVING FUND	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

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

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Missouri Social Media Safety for Minors Act".

It prohibits a minor who is under 14 years of age from creating or maintaining an account; minors who are 14 years of age and under 16 years of age may hold an account only with the verified consent of a parent or legal guardian.

The bill allows for social media platforms to permit the creation of an account, but such platforms must provide parents or guardians with the option to:

- (1) Access and review account activity;
- (2) Request deletion of the minor's account; and
- (3) Limit messaging features between the minor and unverified adult accounts.

The bill requires social media platforms to implement a secure age-verification process for all Missouri users prior to the creation of an account, and sets parameters for permissible ageverification techniques. Social media platforms are required to immediately terminate any account found to belong to a person under 14 years of age.

If a verified parent or guardian requests deletion of a minor's account, the social media platform must comply within 10 business days of receiving such a request.

The bill prohibits social media platforms from:

- (1) Using addictive or manipulative design features specifically targeting minors;
- (2) Permitting direct messaging from adults to minors unless the adult is a verified contact; or
- (3) Serving targeted advertising to minors based on personal data or behavioral profiling.

A violation of the provisions of this bill constitutes an unlawful merchandising practice under current law. The Attorney General can enforce the provisions of this bill and seek civil penalties of up to \$50,000 per violation, plus injunctive relief and attorney's fees. A parent or legal guardian of a minor harmed by a violation can bring a civil action for damages.

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 Commerce and Insurance
Department of Corrections
Department of Public Safety - Missouri Highway Patrol
Office of the State Courts Administrator
Office of the State Public Defender



Julie Morff
Director
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Jessica Harris
Assistant Director
March 19, 2026