

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6602H.011
 Bill No.: HB 2921
 Subject: Children and Minors; Internet and E-Mail; Liability; Civil Procedure
 Type: Original
 Date: February 9, 2026

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 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Merchandising Practices Revolving*	\$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

*Civil penalties could exceed \$250,000 annually.

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

§407.3405 – Age Verification on Adult Websites

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.

Oversight notes the provisions of §407.3405.7 provide for civil penalties of \$10,000 per day for commercial entities that operate a website violating the age-verification requirements of the proposal, \$10,000 per instance when a commercial entity retains information in violation of this proposal, and an additional amount not more than \$250,000 if one or more minors accessed sexual material harmful to minors in violation of the age-verification requirements.

Per information obtained from AGO officials, civil penalties collected under Chapter 407, Merchandising Practices, are deposited in the Merchandising Practices Revolving Fund (1631). Oversight will show a \$0 or Unknown impact to the Merchandising Practices Revolving Fund for potential civil penalties collected as a result of the provisions of this proposal.

Officials from the **Department of Commerce and Insurance, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Mental Health, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety-Missouri Highway Patrol, Department of Social Services, Office of the State Courts Administrator, and Office of the Secretary of State** 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
MERCHANDISING PRACTICES REVOLVING FUND (1631)			
<u>Revenue Gain – AGO (\$407.3405)</u> Fines p.3	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON THE MERCHANDISING PRACTICES REVOLVING FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or 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

This proposal may impact small business commercial entities if age-verification requirements are not met.

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. After verification, the commercial entity is prohibited from retaining any identifying information of the individual.

The bill does not apply to bona fide news or public interest broadcasts or other media and will not affect the rights of a news-gathering organization.

The Attorney General must enforce provisions of the bill. If the Attorney General believes that a violation occurred and an action is in the public interest, the Attorney General can commence an action. If the court finds that a violation occurred, the court can grant relief. Civil penalty awards are described in the bill.

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. After verification, the commercial entity is prohibited from retaining any identifying information of the individual.

A commercial entity required to verify under the provisions of this bill is required to display on its website and certain advertisements for the website, a notice warning of the dangers of pornography and a notice promoting a free helpline for those facing mental health or substance use disorders. The specific language required for the notices are included in the bill.

The bill does not apply to bona fide news or public interest broadcasts or other media and will not affect the rights of a news-gathering organization.

The Attorney General must enforce provisions of the bill. If the Attorney General believes that a violation occurred and an action is in the public interest, the Attorney General can commence an action. If the court finds that a violation occurred, the court can grant relief. Civil penalty awards are described in the bill.

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 Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Mental Health
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety - Missouri Highway Patrol
Department of Social Services
Office of the State Courts Administrator
Office of the Secretary of State

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