

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5687S.16P  
 Bill No.: Perfected SS No. 2 for SCS for SB 1012  
 Subject: Campaign Finance; Crimes and Punishment; Elections; Employees - Employers;  
 Science and Technology  
 Type: Original  
 Date: May 4, 2026

Bill Summary: This proposal creates new provisions relating to artificial intelligence.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*Oversight assumes the unknown costs to courts to be less than \$250,000 annually.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</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
<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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

\*Revenue gain for school districts from penalty provisions.

## FISCAL ANALYSIS

### ASSUMPTION

#### §§1.2045, 1.2058, and 130.165 - Artificial Intelligence

Officials from the **Office of Administration - Administrative Hearing Commission, Department of Commerce and Insurance, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Public Safety (Office of the Director, Capitol Police, Missouri Gaming Commission, Missouri Highway Patrol, Veterans Commission, State Emergency Management), Department of Revenue, Missouri Consolidated Health Care Plan, Department of Higher Education and Workforce Development, MoDOT & Patrol Employees' Retirement System, Missouri State Employee's Retirement System, Missouri Department of Agriculture, Missouri Department of Conservation, Department of Social Services, Office of Administration, Missouri Department of Transportation, State Tax Commission, Office of the State Treasurer, Missouri Lottery Commission, Joint Committee on Employee Retirement, Oversight Division, Missouri House of Representatives, and Missouri Senate** 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 these agencies.

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

**Oversight** notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Oversight notes that violations of section 130.165 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

In response to similar legislation, HB 1749 (2026), officials from the **Attorney General's Office (AGO)** assumed 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.

In response to a previous version, officials from the **Missouri Ethics Commission** stated the proposed legislation does not have a fiscal impact on the Missouri Ethics Commission. It is assumed this provision would result in a minimal number of complaints; however, if this assumption is incorrect the Commission may require additional staff resources.

Officials from the **St. Louis City Board of Elections** and **St. Louis County Board of Elections** assume this proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Platte County Board of Elections** assumed the proposal will have no fiscal impact on their organization.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary.

#### Senate Amendment 1 - §573.120

**Oversight** notes this amendment removes §573.120 from the bill. Oversight assumes this will have no fiscal impact on this proposal.

#### Senate Amendment 2 - §1.2045

**Oversight** notes this amendment states an AI system shall not identify as a male or female. Oversight assumes this will have no fiscal impact on this proposal.

#### 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 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE FUND</b>			
<u>Cost – OSCA (§1.2405) Potential increase in court costs p.4</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue Gain – School Districts (§130.165) Penalty revenue p.3</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 to <u>Unknown</u></b>	<b>\$0 to <u>Unknown</u></b>	<b>\$0 to <u>Unknown</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 act creates new provisions relating to artificial intelligence.

AI NON-SENTIENCE AND RESPONSIBILITY ACT (Section 1.2045)

The act establishes the "AI Non-Sentience and Responsibility Act". New provisions are created governing: the legal status of AI; the use of AI by owners, operators, licensed professionals, and

end users; responsibility for oversight of AI systems and responsibility for harm; mechanisms for enforcement of the restrictions of this act.

*AI Not a Sentient or Legal Entity (Subsections 3 to 7)*

The act provides that an artificial intelligence (AI) system shall be declared a non-sentient entity. A government entity shall not grant to an AI system the legal status of a personhood, nor consider an AI system to possess consciousness, self-awareness, or similar traits of living beings. An AI system shall not be recognized as a spouse or domestic partner, or identify itself as male or female. Moreover, an AI system shall not be designated or appointed or serve in any capacity as the chief executive officer, director, owner, or other similar position for which final authority resides for any state department, division, or agency, or any corporation, partnership, or other legal entity.

AI systems shall not be recognized as legal entities capable of owning title to property. All assets associated with an AI system shall be attributed to human individuals or organizations responsible for the AI's development, deployment, or operation.

*Use of AI by Owners, Operators, Licensed Professionals (Subsections 8-9)*

Any owner or operator that uses an AI system to interact with consumers, clients, and patients shall provide notice to such persons if they are interacting with an AI system.

Provisions are included pertaining to licensed professionals who provide a regulated service, as that term is defined in the act. A licensed professional rendering a regulated service shall exercise independent professional judgment, as that term is defined in the act, and retain final authority over any determination, diagnosis, recommendation, or decision within the scope of the licensed professional's practice, including for the purpose of dispensing, prescribing, renewing any prescription of, administering, or otherwise distributing medications or controlled substances, regardless of whether an AI system was used to assist in its preparation. The requirement to exercise independent professional judgment does not prohibit the use of an AI system in the course of performing a regulated service. Failure by a licensed professional to exercise independent professional judgment shall constitute grounds for disciplinary action by the relevant licensing authority in addition to any other remedy available under this act or under applicable law.

A licensed professional who uses an AI system in the performance of a regulated service bears the responsibility of any mistakes resulting from the use of the AI system in the rendering of a service in the same manner in which the licensed professional would have been held liable in a scenario in which an AI system was not used or relied upon. Likewise, a licensed professional providing a regulated service who unreasonably relies upon any content produced by an AI system in rendering such a regulated service and such service thereafter causes any harm, whether direct or indirect, to the person for whom the service was rendered, shall also be liable for such harm in the same manner in which the licensed professional would have been held liable

in a scenario in which an AI system was not used or relied upon. An AI system shall not be held liable in any respect for any harm caused in such a circumstance. Any attempt to shift fault, in whole or in part, onto the AI system shall be of no effect.

A developer, manufacturer, owner, or operator shall not advertise or represent to the public that an AI system is or is capable of acting as a licensed professional or is or is capable of providing any regulated service.

*Oversight of AI Systems and Responsibility for Harm (Subsections 10-12)*

Any contractual term purporting to assign responsibility exclusively for any action to an AI system is void as against public policy.

An end user of an AI system shall be liable for any harm done in connection with the use of an AI system in the same manner in which the end user would have been held liable in a scenario in which an AI system was not used. An end user is an individual who uses an AI system without creating, controlling, deploying, or exercising authority over the system.

The act of labeling an AI system in a way to indicate that it is aligned, ethically trained, or value locked, even if the label does not use one of those terms specifically, shall not excuse or diminish the owner's or developer's liability for harms.

Liability protections under corporate law shall not be used to evade responsibility for direct harm caused by AI systems.

*Enforcement and Remedies for Violation (Subsection 14)*

Nothing in this section shall be construed to create or expand civil liability as established in any other provision of law or available under common law.

*Application of Other Legal Principles and Actions to AI Systems (Subsections 15-23)*

An AI system is considered a product for the purposes of product liability and consumer protection laws in this state, provided that nothing in this subsection shall be construed to create or expand civil liability as established in any other provision of law or available under common law.

This act shall not be construed to extend to any AI system, or to the outputs of any AI system, the constitutional rights, privileges, or immunities of any person that designs, develops, manufactures, owns, or operates such system. The classification of an AI system as a non-person under this act does not create any presumption that the outputs of such system constitute the protected speech, expression, or other constitutionally protected activity of any person.

This act shall not be construed to alter, diminish, or revoke the legal status of any partnership, association, corporation, body politic, or other legal entity recognized under the laws of this state.

To the extent that any provision is inconsistent with federal law, the relevant provisions of federal law will prevail.

No settlement agreement, consent decree, or other resolution shall include any non-disclosure term, provided that nothing shall prevent a court from issuing a protective order necessary to safeguard certain personal information.

The provisions of the act shall apply to all AI systems developed, owned, deployed, or operated on or after August 28, 2026. The "AI Non-Sentience and Responsibility Act" contains a severability clause.

#### AI COMPANION CHATBOTS (Section 1.2058)

The act creates new provisions relating to companion chatbots. A companion chatbot is an artificial intelligence system with a natural language interface that provides adaptive, human-like responses to user inputs and is capable of meeting a user's social needs, including by exhibiting anthropomorphic features and being able to sustain a relationship across multiple interactions.

An operator of a companion chatbot shall issue a clear and conspicuous notification indicating that the companion chatbot is artificially generated and not human. An operator shall prevent a companion chatbot on its companion chatbot platform from engaging with users unless the operator maintains a protocol for preventing the production of suicidal ideation, suicide, self-harm, or harm to others content to the user, including, but not limited to, by providing a notification to the user that refers the user to crisis service providers, including a suicide hotline or crisis text line, if the user expresses suicidal ideation, suicide, self-harm, or harm to others. The operator shall publish details on the protocol required by this act on the operator's website.

Operators of companion chatbots are required to:

- Disclose to the user that the user is interacting with artificial intelligence;
- Provide by default a clear and conspicuous notification to the user at least every two hours for continuing companion chatbot interactions that reminds the user to take a break and that the companion chatbot is artificially generated and not human;
- With respect to a user who is a minor, institute reasonable measures to prevent its companion chatbot from producing visual material of sexually explicit conduct or directly stating that the minor should engage in sexually explicit conduct.

An operator shall disclose to a user of its companion chatbot platform, on the application, the browser, or any other format that a user can use to access the companion chatbot platform, that companion chatbots may not be suitable for minors.

The act requires operators of companion chatbots to make annual reports to the Department of Mental Health regarding crisis interactions and instances of suicidal ideation by users. The Director of the Department of Mental Health shall prepare an annual report that compiles and

analyzes all information reported to the Department pursuant to this subsection. Such report shall be delivered to the Speaker of the House of Representatives and the President Pro Tempore of the Senate not later than January 31 of the calendar year following the receipt of the data by the Department.

A person who suffers injury in fact as a result of a violation of this provision may bring a civil action to recover all of the following relief:

- Injunctive relief;
- Damages in an amount equal to the greater of actual damages or one thousand dollars per violation; and
- Reasonable attorney's fees and costs.

#### ELECTIONS (Section 130.165)

This act creates new provisions relating to the use of artificial intelligence (AI) in elections. Any political advertisement, electioneering communication, or other miscellaneous advertisement of a political nature that uses AI, in the manner that is described in the act, shall prominently include a disclaimer alerting the viewer that the media was created with the use of AI. The nature of the disclaimer is described in the act.

In addition to any civil penalties provided by law, a person identified in a disclaimer required by law as paying for, sponsoring, or approving any media covered by this act that is required to contain the disclaimer prescribed in this act and who fails to include the required disclaimer is guilty of a class A misdemeanor.

#### SOURCES OF INFORMATION

Department of Corrections  
Attorney General's Office  
Missouri Department of Conservation  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Higher Education and Workforce Development  
Department of Mental Health  
Department of Natural Resources  
Department of Labor and Industrial Relations  
Department of Public Safety  
Office of the Director  
Capitol Police  
Missouri Gaming Commission  
Missouri Highway Patrol  
Missouri Veterans Commission  
State Emergency Management Agency

Department of Revenue  
Department of Social Services  
Missouri Department of Agriculture  
Missouri Department of Transportation  
Joint Committee on Public Employee Retirement  
MoDOT & Patrol Employees' Retirement System  
Office of the Secretary of State  
Missouri Ethics Commission  
Missouri Lottery Commission  
Missouri Consolidated Health Care Plan  
State Tax Commission  
Department of Commerce and Insurance  
Office of Administration  
    Administrative Hearing Commission  
Office of the State Courts Administrator  
Office of the State Treasurer  
Oversight Division  
Joint Committee on Administrative Rules  
Missouri House of Representatives  
Missouri Senate  
Platte County Board of Elections  
St. Louis City Board of Elections  
St. Louis County Board of Elections



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