

**Consolidated Fiscal Note**

**2023-2024 Legislative Session**

**SF3496 - 11A - Content Creator Compensation for Minors**

Chief Author: **Erin Maye Quade**  
 Committee: **Labor**  
 Date Completed: **4/4/2024 8:06:18 PM**  
 Lead Agency: **Labor and Industry Dept**  
 Other Agencies: **Attorney General**                      **Supreme Court**

<b>State Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<b>State Cost (Savings)</b>	<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<b>Attorney General</b>					
<b>General Fund</b>	-	-	-	240	150
<b>State Total</b>					
<b>General Fund</b>	-	-	-	240	150
	<b>Total</b>	-	-	<b>240</b>	<b>150</b>
	<b>Biennial Total</b>		-		<b>390</b>

<b>Full Time Equivalent Positions (FTE)</b>	<b>Biennium</b>			<b>Biennium</b>	
	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<b>Attorney General</b>					
General Fund	-	-	-	1	1
	<b>Total</b>	-	-	<b>1</b>	<b>1</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Alyssa Holterman Rosas    **Date:** 4/4/2024 8:06:18 PM  
**Phone:** 651-284-6439                      **Email:** alyssa.holterman.rosas@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<b>Attorney General</b>						
General Fund		-	-	-	240	150
<b>Total</b>		-	-	-	<b>240</b>	<b>150</b>
<b>Biennial Total</b>				-		<b>390</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Attorney General						
General Fund		-	-	-	240	240
<b>Total</b>		-	-	-	<b>240</b>	<b>240</b>
<b>Biennial Total</b>				-		<b>480</b>
<b>2 - Revenues, Transfers In*</b>						
Attorney General						
General Fund		-	-	-	-	90
<b>Total</b>		-	-	-	-	<b>90</b>
<b>Biennial Total</b>				-		<b>90</b>

SF3496 - 11A - Content Creator Compensation for Minors

Chief Author: **Erin Maye Quade**  
 Committee: **Labor**  
 Date Completed: **4/4/2024 8:06:18 PM**  
 Agency: **Labor and Industry Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Alyssa Holterman Rosas    **Date:** 4/4/2024 8:04:51 PM  
**Phone:** 651-284-6439    **Email:** alyssa.holterman.rosas@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-

**Bill Description**

This bill establishes compensation requirements for minors appearing in internet content creation as well as record maintenance and retention and compensation requirements for content creators.

The bill allows a minor to commence a civil action to enforce Minn. Stat. 181A.13 and recover damages and other remedies. This bill also allows the attorney general to enforce certain provisions of Minn. Stat. 181A.13.

**Assumptions**

This bill does not provide DLI with enforcement authority; as such, this bill would not have a fiscal impact on DLI.

**Expenditure and/or Revenue Formula**

NA

**Long-Term Fiscal Considerations**

NA

**Local Fiscal Impact**

NA

**References/Sources**

NA

**Agency Contact:** Jessica Grosz 651-284-5307

**Agency Fiscal Note Coordinator Signature:** Jacob Gaub

**Phone:** 651-284-5812

**Date:** 4/3/2024 3:54:38 PM

**Email:** jacob.gaub@state.mn.us

SF3496 - 11A - Content Creator Compensation for Minors

Chief Author: **Erin Maye Quade**  
 Committee: **Labor**  
 Date Completed: **4/4/2024 8:06:18 PM**  
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	240	150	
<b>Total</b>	-	-	-	<b>240</b>	<b>150</b>	
<b>Biennial Total</b>						<b>390</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	1	1
<b>Total</b>	-	-	-	<b>1</b>	<b>1</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Susan Nelson    **Date:** 4/4/2024 8:02:34 PM  
**Phone:** 651-296-6054    **Email:** susan.nelson@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
General Fund	-	-	-	-	240	150
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>150</b>
<b>Biennial Total</b>				<b>-</b>		<b>390</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	-	-	-	240	240
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>240</b>
<b>Biennial Total</b>				<b>-</b>		<b>480</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	90
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90</b>
<b>Biennial Total</b>				<b>-</b>		<b>90</b>

**Bill Description**

This bill regulates internet content creation by minors. The bill defines when a minor is considered engaged in the work of content creation. The bill also requires content creators whose content features a minor to retain certain record. The bill requires that a minor who is engaged in the work of content creation to be compensated by the content creator by setting aside gross earnings in a trust until the minor reaches the age of majority. The bill provides that minors may commence a civil action against the content creator for damages if a content creator violates this law. Finally, the bill provides that a person 13 years of age or older who was featured as a minor in content may request the permanent deletion of the content from an online platform.

The A-5 amendment added the authority for the OAG to enforce violations in accordance with section 8.31. In addition to other remedies provided by law (including remedies provided by section 8.31) the bill provides the OAG may recover its costs and fees.

**Assumptions**

The AGO's enforcement activities will begin on July 1, 2025, which is the Act's effective date.

The AGO estimates that after enactment of the law and for the foreseeable future, .5 FTE attorneys and .5 FTE investigator will be necessary to monitor compliance with the Act, identify potential violations of the Act, and bring enforcement actions as appropriate.

The AGO will incur litigation expenses in any lawsuit it brings to enforce the remediate violations of the Act in accordance with Minn. Stat. § 8.31. Those costs will necessarily include filing fees, discovery costs, and ADR expenses. For purposes of this fiscal note, the AGO estimates that it will incur approximately \$20,000 in such costs for each enforcement action it brings.

Revenue may be generated in the investigations and enforcement actions the AGO brings under the Act in the form of civil penalties that are directed to the General Fund. See Minn. Stat. § 8.31, subd. 3 (providing for civil penalties of up to \$25,000 per violation). In addition, the Act itself allows the AGO to recover costs and fees, which would be directed to the General Fund.

Recognizing the uncertainties inherent in any litigation and the uncertainties of predicting the fiscal year of recovery of such funds (which necessarily is at the end of litigation), the AGO assumes that recovery of fees and civil penalties will begin in Fiscal Year 2027 and therefore does not project revenue for Fiscal Year 2026.

The AGO assumes it will initiate enforcement actions beginning in Fiscal Year 2026, which will result in settlements or successful litigation beginning in Fiscal Year 2027. Specifically, the AGO assumes it will bring and have successfully litigated or settled at least two cases that will provide revenue to the State, in addition to enforcing and remediating violations of the law. The AGO assumes it will recover its expert costs on each of these two matters (estimated to be \$20,000 for each enforcement action), plus civil penalties on each matter of \$25,000 per violation estimated to be \$25,000 total per case. Thus, revenue of \$90,000 is projected in Fiscal Year 2027, and \$90,000 in Fiscal Year 2028. It is possible, depending on the violations being litigated, that the AGO could recover more substantial civil penalties. See Minn. Stat. § 645.25 (“when a penalty or forfeiture is provided for the violation of a law, such penalty or forfeiture shall be construed to be for each such violation.”). Accordingly, because the AGO in practice obtains substantial civil penalties where allowed by law; for purposes of preparing this fiscal note, the revenue projections are measured.

**Expenditure and/or Revenue Formula**

AGO Expenditures:

	Hourly Billing Rate	Hours	Total Cost to AGO [hours x billing rate]
Attorney, [list attorney division]	\$163	750	\$122,250
Legal assistant, [Investigator/other non-attorney staff]	\$103	750	\$77,250
Other - Expert Fees			\$40,000
<b>Total</b>			\$239,500

Revenue received:

Source of revenue: <i>litigation, recovery, fines, etc.</i>	Total Amount received	Amount to General Fund	Amount To Other Source: [Consumers/special fund/agency, etc]	Amount To AGO
FY27	90,000			
FY28	90,000			
<b>Total</b>				

**Long-Term Fiscal Considerations**

It is assumed that the increased staff referenced above will be needed on an ongoing basis, beginning in Fiscal Year 2025.

**Local Fiscal Impact**

n/a

**References/Sources**

n/a

**Agency Contact:** Laura Sayles

**Agency Fiscal Note Coordinator Signature:** Laura Capuana

**Phone:** 651-402-2213

**Date:** 4/4/2024 3:05:42 PM

**Email:** [laura.capuana@ag.state.mn.us](mailto:laura.capuana@ag.state.mn.us)



**SF3496 - 11A - Content Creator Compensation for Minors**

Chief Author: **Erin Maye Quade**  
 Committee: **Labor**  
 Date Completed: **4/4/2024 8:06:18 PM**  
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karen McKey    **Date:** 4/4/2024 2:51:40 PM  
**Phone:** 651-284-6429    **Email:** karen.mckey@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

SF3496-11A amends the definitions in section 181A.03 governing Child Labor to define “online platform,” “content creation,” and “content creator” and adds a new section 181A.13 defining when a minor is considered engaged in the work of content creation; prohibiting a minor under the age of 14 from engaging in the work of content creation; entitling a minor under 14 to 100% of the proceeds if featured by a content creator; and authorizing a minor over the age of 13 to produce and publish their own content. The bill also requires content creators whose content features a minor to retain certain records. The bill requires that a minor who is engaged in the work of content creation be compensated by the content creator by setting aside gross earnings in a trust until the minor reaches the age of majority.

The bill provides for a new civil cause of action for damages, injunctive relief, and any other just and equitable relief if a content creator violates this law; the attorney general may enforce the provision under section 8.31 and recover costs and fees. The bill also provides a process for a person 13 or older to request permanent deletion of content from an online platform, which then requires the online platform to remove and permanently delete the content within 7 days of the request.

**Assumptions**

It is assumed that claims under the provisions of this bill may be filed on their own, which could increase case filing rates, or may be filed as an additional claim along with other existing causes of action. It is assumed that the number of new case filings under this statute would be minimal.

It is assumed that because the bill does not address filing fees, the civil filing fee of \$285 will apply to cases filed under the provisions of this bill. See Minn. Stat. § 357.021, subd. 2. All filing fees collected are transmitted to the General Fund. It is assumed that some parties may file an application to proceed *in forma pauperis* and the court may order filing fees waived in some cases. Because it is not possible to estimate any increase in case filings, it is not possible to estimate the impact on filing fees that will be collected and transmitted to the General Fund.

**Expenditure and/or Revenue Formula**

Although the judicial branch cannot calculate or estimate any potential increase in case filings, it is anticipated that this bill will have minimal impact on the Judicial Branch. It is not possible to estimate any potential increase in filing fees collected and transmitted to the General Fund.

**Long-Term Fiscal Considerations**

None.

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Callie Lehman

**Phone:** 651-297-7579

**Date:** 4/3/2024 8:17:52 AM

**Email:** callie.lehman@courts.state.mn.us