DIGEST

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HB 577 Engrossed                    2024 Regular Session                    Carver

**Abstract:** Prohibits social media companies from collecting data to use for targeted advertising to minors.

Proposed law provides for legislative findings.

Proposed law defines "account holder", "application", "child", "covered application store", "developer", "minor", "minor account holder", "online service, product, or feature", resident", "sensitive personal data", "social media platform", and "targeted advertising".

Proposed law provides that any social media platform with more than one million account holders globally that is operating in this state is prohibited from using personal data and social media algorithms for targeting advertising at an account holder who is under the age of 18 and who is located in this state.

Proposed law provides that any social media platform with more than one million account holders globally that is operating in this state is prohibited from selling personal data of an account holder who is under the age of 18 and who is located in this state.

Proposed law provides that nothing in proposed law prohibits a social media platform from:

(1)     Allowing user-generated content to appear in a chronological manner for a minor account holder.

(2)     Displaying user-generated content that has been selected or followed by a minor account holder, as long as the content appears in a chronological manner.

(3)     Providing search results to a minor account holder, if the search results are in response to a specific and immediately preceding query by the account holder.

Proposed law provides what actions a covered application store shall take, which include:

(1)     Take commercially reasonable steps to determine or estimate age of an account holder.

(2)     Obtain parental or guardian consent prior to permitting a known child to download an application distributed or made accessible via the covered company's application store.

(3)     Connect the developer of an application in the covered company's application store that is downloaded by a child upon approval by a parent or guardian with the approving parent or guardian for the purpose of connecting parents with the features outlined in present law.

(4)     Provide developers in the covered company's application store with a signal regarding whether a parent or guardian has provided consent in accordance with proposed law and whether a child is under the age of 13, at least 13 years of age and under 16 years of age, or at least 16 years of age and under 18 years of age, via a real-time application programming interface, or API, on an ongoing basis to support the delivery of the features outlined in present law.

Proposed law provides that developers may rely on age signals and application store parental consent provided in proposed law for the purposes of complying with present law.

Proposed law provides that a covered company shall comply with present and proposed law in a nondiscriminatory manner, specifically including but not limited to:

(1)     A covered company shall impose at least the same restrictions and obligations on its own applications and application distribution as it does on those from third-party applications or application distributors.

(2)     A covered company shall not use data collected from third parties, or consent mechanisms deployed for third parties, in the course of compliance with present and proposed law to compete against those third parties, give the covered company's services preference relative to those of third parties, or to otherwise use this data or consent mechanism in an anti-competitive manner.

Proposed law provides that the attorney general may bring a civil action on behalf of a minor account holder against a social media platform.

Proposed law provides that a social media platform that violates the provisions of proposed law shall be subject to a civil fine of up to $10,000 per violation. A civil penalty imposed pursuant to proposed law shall be deposited in the state general fund.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 51:1761-1764)

Summary of Amendments Adopted by House

    The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1.     Make technical changes.

2.     Expand definitions to include "account holder", "application", "child", "covered

application store", "developer", "minor", "minor account holder", "online service, product, or feature", "resident", and "sensitive personal data".

3.      Change "the processing of genetic" to "genetic".

4.      Conform language with updated definitions.

5.      Remove biometric data from the list of sensitive personal data.

6.      Add that interactive gaming, virtual gaming, and certain online services are not included in a social media platform.

7.      Change certain references from "consumer" to "account holder".

8.      Change "using personal data" to "displaying".

9.      Add when social media companies will not be liable.

10.     Add what actions a covered application store are required to take.

11.     Add that developers may rely on age signals and application store parental consent.

12.     Add that a covered company shall comply with <u>present</u> and <u>proposed law</u> in a nondiscriminatory manner.