

GREEN SHEET REDIGEST

HB 577

2024 Regular Session

Carver

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

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DIGEST

Proposed law defines "account holder", "application", "child", "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 does not prohibit 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 that if a social media platform makes reasonable efforts to determine whether an account holder is a resident, or which users are under 18, the platform will not be liable for data processing undertaken for that purpose.

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 collected by the attorney general and deposited in the state general fund.

Proposed law requires the attorney general to provide notice to any violators of proposed law at least 45 days before the attorney general initiates an enforcement action. Further provides that the attorney general shall not initiate an action if the person cures the notice violation within 45 days of receiving notice.

Proposed law provides that the attorney general may initiate a civil action against a person who fails to cure a violation after receiving notice or commits another violation of the same provision after curing a violation and providing a written statement in accordance with proposed law.

Proposed law requires a court to award the attorney general reasonable attorney fees, court costs, and investigative costs, if the court grants judgment or injunctive relief in favor of the attorney general.

Proposed law requires a person who violates an administrative order or court order issued for a violation of proposed law to pay a civil penalty of not more than \$5,000 per violation.

Further provides that a civil penalty may be imposed in any civil action brought by the attorney general under proposed law.

Proposed law provides that all monies received from the payment of fine or civil penalty imposed and collected pursuant to proposed law be used by the attorney general to promote consumer protection and education.

Effective July 1, 2025.

(Adds R.S. 51:1761-1763)

#### 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 present and proposed law in a nondiscriminatory manner.

The House Floor Amendments to the engrossed bill:

1. Further define the term "covered application store".
2. Add to what a social media platform does not include.
3. Add to what targeted advertising does not include.
4. Provide that a civil penalty shall be collected by the attorney general.
5. Change the effective date to July 1, 2025.

#### Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Remove the definitions "covered application stores" and "developer".
2. Remove applicability of proposed law to covered application stores and developers.
3. Require notice by the attorney general before taking civil action against a social media platform for any violations under proposed law.
4. Require attorney fees, court costs, and investigative costs be paid to the attorney general if a court grants judgment in favor of the attorney general for a violation under proposed law.
5. Make technical changes.