GREEN SHEET REDIGEST

HB 37

2025 Regular Session

Schlegel

CONTRACTS: Establishes a duty of care for online platforms who contract with minors.

DIGEST

<u>Proposed law</u> defines "connect", "covered platform", "minor", "online platform", "online video game", "microtransaction", "nonprofit organization", "precise geolocation", "school", and "sexually explicit material".

<u>Proposed law</u> provides that every owner or operator of a covered platform who contracts with a minor, including the creation of an online account, shall owe a duty of care to the minor.

<u>Proposed law</u> provides that a "covered platform" shall not include a news or sports coverage website or application where the inclusion of video image, or other visual content on the website or application is related primarily to the website or the application's own gathering, reporting, or publishing of news content or coverage.

<u>Proposed law</u> provides that a "covered platform" also shall not include:

- (1) A video streaming service that consists primarily of entertainment or other information or content that is not user-generated or user-uploaded, but is preselected by the provider and requires users to register with a method of payment and does not permit users to interact socially with each other.
- (2) Platforms that primarily provide career networking and professional development opportunities.

<u>Proposed law</u> provides that "minor" means an account holder on the covered platform who resides in this state under circumstances where the covered platform reasonably believes or has actual knowledge that the account holder is under the age of 16 and is not emancipated or married.

<u>Proposed law</u> provides that the duty of care shall require the covered platform to take reasonable measures in the operation of the covered platform to prioritize the privacy of the minor's account and establish the following default privacy settings for minors:

- (1) Prohibit an adult from connecting to a minor on a covered platform without express consent from the minor's legal representative.
- (2) Prohibit an adult from sending private or direct messages to a minor on a covered platform by video, voice, or messaging unless the minor is connected to the adult on the covered platform.
- (3) Prohibit a covered platform from disclosing or sharing the precise geolocation of a minor with any individual who is not the legal representative of the minor.
- (4) Restrict the visibility of the minor's account to only connected accounts.
- (5) Allow the legal representative of a minor to choose to be informed via text, voice, email, through the legal representatives linked account or through the covered platform's parental control interface within a reasonable time, if any of the following occur:
 - (a) A minor is exposed to sexually explicit material on a covered platform.
 - (b) A connection is made between a minor and any other user on a covered platform.

<u>Proposed law</u> provides that a covered platform shall enable the legal representative of a minor whose account is connected to the account of the minor through the covered platform's parental supervision tools to do the following:

- (1) Utilize tools or features to manage the settings of the minor's account on a covered platform.
- (2) View accounts that are connected to or blocked from the minor's account.
- (3) Block accounts from the minor.
- (4) Prohibit or place limits on the minor's ability to make or receive microtransactions on a covered platform.

<u>Proposed law</u> provides that a legal representative of a minor may opt out of the protections required by <u>proposed law</u> by providing express consent to a covered platform.

<u>Proposed law</u> provides that the default privacy settings required in <u>proposed law</u> may only be modified by the legal representative of the minor whose account is linked to the minor's account through the covered platform's parental supervision tools.

<u>Proposed law</u> provides that any owner or operator of a covered platform who violates the provisions of <u>proposed law</u> shall be subject to a civil fine of up to \$10,000 per violation set and enforced by the attorney general by filing a civil enforcement action in a court of competent jurisdiction.

<u>Proposed law</u> provides that prior to filing a civil enforcement action, the attorney general shall provide the owner or operator with a written notice that identifies each alleged violation and an explanation of the basis for each allegation. Provides that the owner or operator may cure the alleged violations by providing the attorney general, within 45 days of receipt of the notice provided pursuant to proposed law, a written statement indicating that the violation is cured and no further violations will occur.

<u>Proposed law</u> provides that, except for when there is a failure to cure a violation after receiving the written notice, or after committing another violation of the same provision after curing a violation and providing a written statement, the attorney general shall not file a civil enforcement action if the owner or operator timely cures the alleged violations pursuant to proposed law. Further provides that a court may grant the attorney general reasonable attorney fees, court costs, and investigative costs if the court grants judgment or injunctive relief to the attorney general. Provides that all monies received from fines or civil penalties imposed shall be used by the attorney general for consumer protection enforcement efforts or to promote consumer protection and education.

Effective March 1, 2026.

(Adds R.S. 9:2717.4)

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Civil Law and</u> <u>Procedure to the original bill:</u>
- 1. Make technical changes.
- 2. Change the effective date <u>from</u> January 1, 2026, <u>to</u> March 1, 2026.
- 3. Remove the language "or reasonably likely to be used" from the definition of "covered platform".
- 4. Change the definition of a broadband service <u>from</u> the language in R.S. 12:430.1 <u>to</u> 47 C.F.R. 43.400.

- 5. Remove the language for a wireless messaging service that provides that the "predominant function" is wireless messaging and will now provide that it is the exclusive function.
- 6. Define "precise geolocation" and specify the geolocation is precise for the purpose of disclosure of the geolocation of a minor.
- 7. Specify that the duty of care owed to a minor by a covered platform includes the creation of an online account.
- 8. Remove the prohibition of an adult from viewing the personal data of a minor on a covered platform.
- 9. Change the methods in which a covered platform shall inform the legal representative of a minor. Change that the notification <u>from</u> 24 hours to a reasonable time.
- 10. Remove the requirement that express consent be written.
- 11. Change the notification requirements and provide that a covered platform notify the legal representative of a minor when a connection is made between a minor and any other user on a covered platform.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary A to the reengrossed bill

- 1. Provides that "covered platform" does not include image or other visual in news or sports website or application when related primarily to the website or the application's own gathering, reporting, or publishing of news content or coverage.
- 2. Provides additional exclusions to "covered platform".
- 3. Defines "minor."
- 4. Deletes provisions in <u>proposed law</u> that prohibit an adult from connecting to a minor on a covered platform unless the initial connection is made by the minor.
- 5. Prohibits an adult from connecting to a minor without express written consent from the minor's legal representative.
- 6. Deletes certain provisions regarding duty of care owed by an owner or operator of a covered platform to a minor in the operation of the covered platform.
- 7. Restricts the visibility of the minor's account to only connected accounts.
- 8. Allows the legal representative of a minor to be informed under certain circumstances.
- 9. Requires a covered platform to allow the legal representative of a minor whose account is connected to the account of the minor through the covered platform to exercise certain parental supervision tools regarding the minor's account, including: manage the settings, view accounts, block accounts and limit the minor's ability to make or receive microtransactions.
- 10. Removes liability provisions requiring damages, court costs and reasonable attorney fees for violation of proposed law.
- 11. Includes civil fine of up to \$10,000 per violation of proposed law.
- 12. Provides time delays and procedure for the owner or operator of a covered platform to cure alleged violations.

- 13. Provides procedures for civil enforcement by the attorney general against any owner or operator of a covered platform for violation. Allows exception from enforcement when the owner or operator time cures alleged violations.
- 14. Makes technical changes.