CONFERENCE COMMITTEE REPORT

HB 577

2024 Regular Session

Carver

June 2, 2024

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 577 by Representative Carver, recommend the following concerning the Reengrossed bill:

- 1. That Amendment Nos. 1 through 11, 25, and 29 through 32 by the Senate Committee on Commerce, Consumer Protection and International Affairs (#3640) be adopted.
- 2. That Amendment Nos.12 through 24 and 26 through 28 by the Senate Committee on Commerce, Consumer Protection and International Affairs (#3640) be rejected.
- 3. That Senate Floor Amendments Nos. 1, 2, 3, 5, and 6 by Senator McMath (#3961) be adopted.
- 4. That Senate Floor Amendments No. 4 by Senator McMath (#3961) be rejected.
- 5. That the set of Senate Floor Amendments by Senator Cathey (#3888) be rejected.
- 6. That the set of amendments by the Legislative Bureau (#3822) be rejected.
- 7. That the following amendments be adopted:

AMENDMENT NO. 1

In Amendment No. 8 by the Senate Committee on Commerce, Consumer Protection and International Affairs (#3640) on page 1, line 16, after ""(6)"" delete the remainder of the line

AMENDMENT NO. 2

In Amendment No. 5 by Senator McMath (#3961) on page 1, line 18, change "<u>Attorney</u> <u>General</u>" to "<u>attorney general</u>"

6. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 4, line 4, after "<u>platform"</u>" delete the remainder of the line and insert in lieu thereof the following: "<u>has the same meaning as provided for in R.S. 51:1751.</u>"

AMENDMENT NO. 2

On page 4, delete lines 5 through 23 in their entirety

AMENDMENT NO. 3

On page 7, line 16, change "Section 2." to "Section 3."

Respectfully submitted,

Representative Kim Carver

Representative Daryl Andrew Deshotel

Representative Laurie Schlegel

Senator Beth Mizell

Senator Patrick McMath

Senator Kirk Talbot

CONFERENCE COMMITTEE REPORT DIGEST

HB 577 2024 Regular Session

Carver

Keyword and oneliner of the instrument as it left the House

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

Report adopts Senate amendments to:

- 1. Make technical changes.
- 2. Change the effective date of Act No. 456 of the 2023 Regular Session, relative to the Secure Online Child Interaction and Age Limitation Act, <u>from</u> July 1, 2024 to July 1, 2025.
- 3. Delete the definitions for "covered application stores" and "developer".
- 4. Delete applicability of <u>proposed law</u> to covered application stores and developers.
- 5. Delete that the attorney general may bring a civil action on behalf of a minor account holder against a social media platform and instead add that the attorney general may bring a civil action to enforce any violation of proposed law.
- 6. Delete that a civil penalty imposed pursuant to <u>proposed law</u> shall be collected by the attorney general and deposited into the state general fund.
- 7. Require notice by the attorney general before taking civil action against a social media platform for any violations under proposed law.
- 8. 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 of proposed law.
- 9. Add that a civil penalty imposed pursuant to <u>proposed law</u> shall be used by the attorney general to promote consumer protection and education.

Report rejects Senate amendments which would have:

- 1. Made technical changes.
- 2. Added to the definition of "social media platform".
- 3. Added to what shall not be considered a "social media platform".
- 4. Removed that a civil penalty imposed pursuant to <u>proposed law</u> shall be used by the attorney general to promote consumer protection and education.

Report amends the bill to:

- 1. Make technical changes.
- 2. Change the definition of "social media platform" to have the same meaning as provided for in proposed law.

Digest of the bill as proposed by the Conference Committee

<u>Proposed law</u> provides for Act No. 456 of the 2023 Regular Session which provides for the Secure Online Child Interaction and Age Limitation Act.

<u>Proposed law</u> provides that the effective date for Act No. 456 of the 2023 Regular Session is July 1, 2024.

Proposed law amends present law to change the effective date to July 1, 2025.

Proposed law provides for legislative findings.

<u>Proposed law</u> defines "account holder", "application", "child", "minor", "minor account holder", "online service, product, or feature", "resident", "sensitive personal data", "social media platform", and "targeted advertising".

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> provides that the attorney general may bring a civil action to enforce any violations of <u>proposed law</u>.

<u>Proposed law</u> provides that a social media platform that violates the provisions of <u>proposed</u> <u>law</u> shall be subject to a civil fine of up to \$10,000 per violation.

<u>Proposed law</u> requires the attorney general to provide notice to any violators of <u>proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> requires a person who violates an administrative order or court order issued for a violation of <u>proposed law</u> 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 <u>proposed law</u>.

<u>Proposed law</u> provides that monies received from the payment of a fine or civil penalty imposed and collected pursuant to the provisions of <u>proposed law</u> shall be used by the attorney general to promote consumer protection and education.

Effective July 1, 2025.

(Adds R.S. 51:1761-1763; Amends Section 3 of Act No. 456 of the 2023 R.S.)