

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 14, 2023

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB18 by Slawson (Relating to the protection of minors from harmful, deceptive, or unfair trade practices in connection with the use of certain digital services.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would prohibit digital service providers from entering into a service agreement with a known minor without the verifiable consent of the minor's parent or guardian. It would require a provider to exercise reasonable care to prevent harm to a minor in relation to the minor's use of the service. It would also establish rules regarding verification of consent, and require the provider to provide certain information to parents or guardians upon request.

A violation of the bill's provision would be a deceptive trade practice under Subchapter E, Chapter 17, of the Business and Commerce Code. This bill would not apply to digital services provided by state agencies, institutions of higher education, or certain other entities. According to OAG, any legal work required as a result of passage of the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 313 Department of Information Resources

LBB Staff: JMc, SMAT, LCO, CSmi, NPe, NV