

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 19, 2023

TO: Honorable Senfronia Thompson, Chair, House Committee on Youth Health & Safety, Select

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 Introduced**

There would be an indeterminate cost to the state based on the extent to which the provisions of the bill apply to state owned applications and websites.

The bill would add a chapter to the Business and Commerce Code relating to the protection of minors from harmful, deceptive, or unfair trade practices in connection with the use of certain websites, applications, programs, or software that perform collection or processing functions with internet connectivity. The bill would prohibit providers from collecting personal identifying information from a minor without the consent of a parent or guardian. It would also impose rules on providers regarding a parent or guardian's access to their child's personal information, and use of algorithms and advertisements, as well as allow parents or guardians to bring a civil action against providers for violating these provisions. Additionally, the bill would require providers to make parental tools that allow for supervision over supplying this information to providers.

The bill would impact the state electronic internet portal, Texas.gov, which is managed by the Department of Information Resources (DIR). The portal is funded through fees charged to the end user utilizing Texas.gov for applications, permitting, and registrations, as well as other services, and with charges to agencies utilizing the portal to host applications. According to DIR, there would likely be costs incurred due to adjusting any digital services to require parental consent for minors using the service. Some state-owned applications would either have to no longer permit minors to use the service, or else provide a parental consent process for each application. The bill does not specify the extent to which these parental tools must verify parental/guardian relationship. The cost to develop these processes per application could range from \$250,000 for basic mandatory parental controls and notifications, to \$750,000 or more for identity proofing or validation, proof of the parental/guardian relationship, and other security measures specific to minors.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

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, NPe, LCO, CSmi, NV