

Fiscal Estimate Narratives

DATCP 12/15/2023

LRB Number	23-3313/2	Introduction Number	SB-0385	Estimate Type	Original
Description use of social media platforms by minors, granting rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates requirements related to the treatment of account holders on the basis of age by social media companies and social media platforms. It does this by ensuring all accounts created on or after January 1, 2019, that are designated as youth accounts, comply with the youth account requirements of the bill. The bill calls for ways to remove the designation and directs social media companies to place certain conditions on youth accounts. Parents or guardians must be offered access to youth accounts. The bill creates penalties, and it requires the Department (DATCP) to adopt rules through rulemaking authority. Finally, the Department must issue a report to the Governor and to the Legislature each July 1 on the implementation of the program.

The Department does not currently regulate social media platforms, so outreach and education would need to be conducted with both consumers and businesses that meet the definition of a social media platform to inform them of their rights and responsibilities under the regulations. Largely, these social media platforms would not be Wisconsin-based businesses. DATCP would establish processes to educate newly regulated social media platforms, handle related complaints, and investigate and enforce when there are violations involving Wisconsin users. Since Wisconsin enforces consumer protection laws against out-of-state businesses regularly, the enforcement would not be atypical in jurisdiction.

Under Chapter 100, DATCP would refer cases to the Attorney General's office or to local prosecutors if needed based on the investigations of consumer complaints. Since this represents a new area of enforcement for DATCP, it is not clear how many complaints will be filed. The Department plans to absorb investigative costs but may need to seek additional positions in future budgets.

The bill grants DATCP specific rulemaking authority and directs what it should include. DATCP plans to use existing staff to promulgate these rules, but it also acknowledges that, as this is a new program, rulemaking may be more complicated. DATCP would reprioritize its rulemaking activities to account for that assumption.

The bill requires an annual report to the Governor and to the standing committees of the Legislature due each July 1. DATCP believes it can collect this data without additional cost.

The Department therefore believes the fiscal estimate to be indeterminate at this time and will absorb any fiscal impact through reprioritization of operations.

Long-Range Fiscal Implications

The bill requires the Department to review its own annual recommendations and consider improvements to the program. Over time, any costs to the agency should diminish.