

Ohio Legislative Service Commission

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H.B. 226*
136th General Assembly

Occupational Regulation Report

Click here for H.B. 226's Bill Analysis / Fiscal Note

Primary Sponsor: Rep. M. Miller

Impacted Profession: Application developers

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LSC is required by law to issue a report for each introduced bill that substantially changes or enacts an occupational regulation. The report must: (1) explain the bill's regulatory framework in the context of Ohio's statutory policy of using the least restrictive regulation necessary to protect consumers, (2) compare the regulatory schemes governing the same occupation in other states, and (3) examine the bill's potential impact on employment, consumer choice, market competition, and cost to government.¹

LEAST RESTRICTIVE REGULATION COMPARISON

Ohio's general regulatory policy

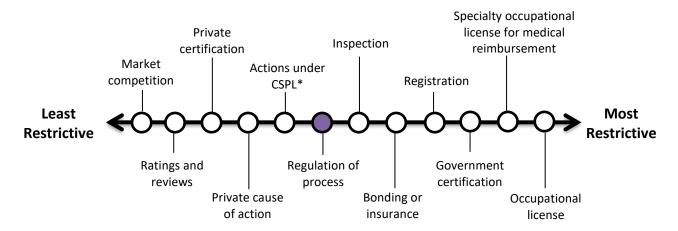
The general policy of the state is reliance on market competition and private remedies to protect the interests of consumers in commercial transactions involving the sale of goods or services. For circumstances in which the General Assembly determines that additional safeguards are necessary to protect consumers from "present, significant, and substantiated harms that threaten health, safety, or welfare," the state's expressed intent is to enact the "least restrictive regulation that will adequately protect consumers from such harms."²

The degree of "restrictiveness" of an occupational regulation is prescribed by statute. The following graphic identifies each type of occupational regulation expressly mentioned in the state's policy by least to most restrictive:

^{*} This report addresses the "As Introduced" version of H.B. 226. It does not account for changes that may have been adopted after the bill's introduction.

¹ R.C. 103.26, not in the bill.

² R.C. 4798.01 and 4798.02, neither in the bill.



*CSPL - The Consumer Sales Practices Law

H.B. 226 requires application developers to provide certain parental controls for applications that children are likely to access on a general-purpose computing device. In addition, the bill requires the developers to take specified related actions. Violators are subject to a civil action brought by the Attorney General.³

Although a developer appears to be a business, since it is possible for an individual to develop an application, the bill is viewed as an occupational regulation for purposes of this report.⁴

Necessity of regulations

Representative Melanie Miller, the bill's primary sponsor, testified that the intent of the legislation is to protect children from potential harm in the digital world while empowering parents to make informed decisions about their children's online activities. She asserted that smartphones and the social media world have overexposed children to various risks, such as inappropriate online content and cyberbullying, and she pointed out the huge increase in mental health concerns for minors. She stated that the bill will protect children from harmful content, reduce mental health risks, and encourage responsible technology use.

In addition, Representative Miller pointed out that 80% of voters who are parents support the concept of a law requiring application stores to obtain parental approval before children can download applications. Furthermore, she said that there is considerable intensity behind this position, with 50% saying they strongly support such a law.

Representative Miller concluded that the bill creates a partnership that works for families by requiring application stores to verify user ages and to obtain parental consent for minors' use

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³ R.C. 1349.07.

⁴ See R.C. 103.26, not in the bill.

while enabling application developers to create safer experiences based on that verified information.⁵

Restrictiveness of regulations

Process regulations

The state's policy does not provide specific guidance as to when a regulation of process is the best means of protecting the health, safety, and welfare of consumers. However, the policy as a whole suggests that regulations of process are the most preferred method of regulation when market competition, ratings and reviews, private certifications, private causes of action, and actions under the state's Consumer Sales Practices Law do not provide sufficient protection. Whether these mechanisms are a sufficient means of protecting consumers is a policy decision.

The bill increases restrictiveness for application developers by creating the following process regulations with which they must comply:

- Determination regarding children's access: Before distributing or maintaining an application in Ohio, an application developer must determine whether children are likely to access it;
- Application store notification: If an application developer determines that children are likely to access an application, the developer must notify application stores that are likely to distribute it;
- Parental controls: Application developers must provide certain parental controls for applications that children are likely to access on a general-purpose computing device, including giving parents the ability to manage which accounts are linked to the child, manage the delivery of age-appropriate content, and limit the daily amount of time the child may spend on the application;
- Actions adverse to competition: Application developers must comply with the bill in a nondiscriminatory way that is not adverse to competition, such as by not using data collected from third parties to compete against them.⁷

Under the bill, application developers who violate these requirements are subject to a lawsuit brought by the Attorney General and may be required to pay damages of up to \$2,500 per violation. However, a developer may not be held liable if either of the following applies: (1) the developer takes commercially reasonable and technically feasible steps to comply with the bill, or (2) the developer relied on incorrect age or parental consent signals sent by manufacturers.⁸

⁵ Representative Melanie Miller, <u>H.B. 226 Sponsor Testimony</u>, House Judiciary Committee, May 21, 2025, which is available on the General Assembly's website, <u>legislature.ohio.gov</u>, by searching for "H.B. 226" and looking under the "Committee Activity" tab.

⁶ R.C. 4798.01, not in the bill.

⁷ R.C. 1349.07(A), (B), (F), and (H).

⁸ R.C. 1349.07(I).

IMPACT STATEMENT

Opportunities for employment

The bill is not expected to have a significant effect on employment opportunities for application developers. Although developers will be required to implement new parental control functions and compliance procedures, these obligations can be incorporated into the existing scope of software development. The bill does not appear to create new licensing barriers or restrict entry into the profession.

Consumer choice

The bill may limit consumer choices by requiring parental consent and additional controls for applications that children are likely to access. Parents may have more oversight, but children may face delays or restrictions in downloading certain applications.

Market competition

The bill could increase compliance costs, particularly for independent developers, which may slightly reduce their competitiveness. However, these costs are expected to be minimal, as the required parental control functions and related processes can be integrated into standard development practices.

Cost to government

The bill is expected to create enforcement and administrative costs for the Office of the Attorney General, which is responsible for bringing civil actions against noncompliant application developers. For further details, please refer to the LBO fiscal note (PDF).

SUMMARY OF PROPOSED REGULATIONS

Clarifications regarding data collection and existing controls

The bill clarifies that it does not require application developers to do either of the following: (1) access, retain, re-identify, or link information outside the developer's ordinary course of business, except as absolutely necessary to comply with the bill, or (2) implement new account controls or safety settings if its existing controls and settings are sufficient to comply with the bill. Additionally, the bill places requirements for application stores regarding obtaining parental consent. Description of the following parental consent.

For a complete explanation of the bill, please see the <u>LSC bill analysis (PDF)</u>.

⁹ R.C. 1349.07(G).

¹⁰ R.C. 1349.07.

COMPARISON TO OTHER STATES

With respect to other states, only Texas, Utah, and Louisiana have enacted parental controls or consent requirements involving applications. Aspects of those laws are summarized in the table below.

| State | Regulations Involving Parental Consent or Control | Penalties for Violation |
|---|---|---|
| Ohio (under the bill) | Requires application developers to provide certain parental controls for applications that children are likely to access on a general-purpose computing device (R.C. 1349.07(F)) | A violator may be required to pay damages up to \$2,500 in a lawsuit brought by the Attorney General (R.C. 1349.07(I)) |
| Texas ¹¹ (Effective January 1, 2026) | Requires app store owners to do both of the following: Ensure that a minor's account is affiliated with a parent's or guardian's account; Obtain consent from the parent or guardian via the affiliated account before allowing the minor to download or purchase a software application or to make a purchase in or using the application (Tex. Bus. & Com. Code § 121.022) | A violation constitutes a deceptive trade practice, the maximum penalty for which is a one-year jail term and a \$4,000 fine (Tex. Bus. & Com. Code § 121.101; Tex. Pen. Code § 12.21 and 32.42) |

¹¹ See, <u>Tex. S.B. 2420, 89th Leg., R.S. (2025)</u>, which is accessible by clicking on the "Legislation" drop-down menu, selecting "89(R)-2025," and conducting a keyword "SB 2420" search on the Texas Legislature's website: <u>capitol.texas.gov</u>.

| State | Regulations Involving Parental Consent or Control | Penalties for Violation |
|---|--|--|
| Utah ¹² (Effective May 6, 2026, penalties effective December 31, 2026) | Requires app store providers to do both of the following: Ensure that a minor's account is affiliated with a parent's or guardian's account; Obtain consent from the parent or guardian via the affiliated account before allowing the minor to download or purchase a software application or to make an in-app purchase Requires developers to request personal age verification data or parental consent in specified circumstances, including at the time a user downloads or purchases an app (Utah Code § 13-75-201 and 13-75-202) | Both of the following apply to an app developer or app store provider who knowingly misrepresents parental consent: Has committed a deceptive trade practice for which a lawsuit may be brought against the developer or provider for injunctive relief and damages in an amount equal to the greater of \$2,000 or damages actually sustained plus attorney fees; Is subject to a lawsuit brought by a harmed minor or the minor's parent for damages in an amount equal to the greater of actual damages or \$1,000 for each violation plus reasonable attorney fees and litigation costs (Utah Code §13-11a-4 and 13-75-401) |
| Louisiana ¹³ (Effective July 1, 2026) | Requirements for covered application stores and app developers are similar to those required in Utah (51 La. Rev. Stat. § 1772 and 1773) | A violator may be required to pay damages up to \$10,000 in a lawsuit brought by the Attorney General (51 La. Rev. Stat. § 1775) |

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¹² See, <u>S.B. 142, 2025, Utah Legislature Session</u>, which is accessible by conducting a keyword "SB 142" search and checking the "2025 General Session" box on the Utah State Legislature's website: <u>le.utah.gov</u>.

¹³ See, <u>H.B. 570, Louisiana State Legislature</u>, which is available by clicking on the "Bills" tab, selecting "2025 Regular Session," searching for "HB 570" on the Louisiana State Legislature website: <u>legis.la.gov</u>.