

**HF4400 - 0 - Prohibiting Social Media Manipulation Act**

Chief Author: **Zack Stephenson**  
 Committee: **Commerce Finance And Policy**  
 Date Completed: **3/11/2024 8:34:38 AM**  
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Susan Nelson    **Date:** 3/11/2024 8:34:38 AM  
**Phone:** 651-296-6054    **Email:** susan.nelson@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

The Prohibiting Social Media Manipulation Act regulates social media platforms. The bill provides that the Act applies to social media platforms that do business in Minnesota or provide products or services that are targeted to residents of Minnesota and have more than 10,000 active users. The Act requires social media platforms to provide an accessible user interface that allows a user to clearly indicate whether a particular piece of content is of high or low quality and complies with the user’s expressed preferences. The social media platform’s algorithmic ranking system must optimize for content that is of high quality and complies with user’s preferences. The Act requires platforms to set limits on engagement for new account holders. The Act requires that platforms to provide default privacy settings and allow for users to opt-in to heightened protections. The Act requires the platform to publicly post certain information on websites related to the product, operation of the platform, and its algorithms. The bill provides for a private right of action with a civil penalty of not more than \$10,000; as well as enforcement by the Attorney General pursuant to Minn. Stat. § 8.31. The bill will take effect July 1, 2025.

**Assumptions**

The Attorney General’s Office does not project any defined expenditures, absorbed costs, or revenues from the Act. Investigations of this Act or litigation to enforce the law would be pursued by the Office’s existing attorneys and investigators dedicated to consumer protection issues.

The Attorney General’s Office estimates that it will expend/save 0 hours of attorney time and 0 hours of legal assistant (investigator/other staff) time per fiscal year.

**Expenditure and/or Revenue Formula**

n/a

**Long-Term Fiscal Considerations**

n/a

**Local Fiscal Impact**

n/a

**References/Sources**

n/a

**Agency Contact:** Laura Sayles

**Agency Fiscal Note Coordinator Signature:** Laura Capuana

**Phone:** 651-402-2213

**Date:** 3/11/2024 8:33:15 AM

**Email:** [laura.capuana@ag.state.mn.us](mailto:laura.capuana@ag.state.mn.us)