February 28, 2023

Re: Opposition to HF1503

Chair Stevenson and Members of the House Commerce Finance and Policy Committee:

I am writing on behalf of the Minnesota Technology Association (MnTech) to voice our opposition to the HF 1503, Social media algorithms that target children prohibited. MnTech is a coalition of nearly 170 member companies united in building a stronger tech ecosystem and innovation economy in Minnesota. Our member companies work the spectrum of technology, from IT, advanced manufacturing, life sciences, fintech, agtech, cleantech, and edutech, and range from long-established corporations to small and growing startups.

Our member companies take seriously the responsibility to provide safe online environments for all Minnesotans, and take numerous steps to safeguard their platforms. Our concern with this legislation is the lack of specificity which would cause a number of Minnesota-based non-social medial companies to be implicated in the requirements of this legislation. Given the author's and supporters description of the narrow scope of social media companies, every section of this bill would need to be changed in order to meet this narrow scope.

For example, the definition of "operator" seems to inadvertently include any website maintaining personal information about users – including websites for retailers that have user accounts for the purposes of making purchases, creating employment profiles, or posting reviews of products. It is unclear on why this broad definition is used if the goal is to specifically target social media platforms.

The "social media algorithm" definition describing prioritizing content would also likely inadvertently include non-social media companies like retailers as well, as they use algorithms to prioritize content that the account holder would be seeing. The "social media platform" definition is problematic, as it likely inadvertently includes platforms that primarily serve non-social media functions if they allow users to post content in any form, such as retail and job search or job placement platforms.

The problems with this legislation continue in the prohibitions section, as there are a wide variety of ways algorithms are used beyond the stated goals of the authors. For example, the language makes using algorithms for daily activities like online shopping or job searching potentially illegal in the state for individuals under the age of 18.

This legislation is not clear on how companies can demonstrate compliance without legal action. There are also no exceptions for demonstration of attempted compliance with the legislation, and this would cause major financial challenges to a wide variety of Minnesota-based companies that are not social media platforms to create age locks on their websites and carry out age verification requirements. This could mean barring young parents from using online retail platforms to purchase formula or diapers if they are under the age of 18.

We welcome the opportunity to further engage on the many reasons why it would be problematic for this legislation to move forward as written, as this would be extremely detrimental not only to Minnesota companies, but to Minnesota residents as well.

Thank you for your consideration.

Katie McClelland

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