

SUBJECT: Requiring age verification and parental consent for app store purchases

COMMITTEE: Trade, Workforce & Economic Development — committee substitute recommended

VOTE: 10 ayes — Button, Talarico, K. Bell, Bhojani, Harris Davila, Longoria, Lujan, Luther, Ordaz, Richardson

1 nay — Meza

SENATE VOTE: On final passage (April 16) — 30 - 1

WITNESSES: For — None

Against — None

BACKGROUND: Concerns have been raised about minors accessing digital content and entering into contracts regarding the use of their data without adequate age verification or parental consent.

DIGEST: CSSB 2420, which could be cited as the App Store Accountability Act, would establish the duties of app stores and software application developers related to app store age verification, parental consent, data protection, and age ratings.

**Duties of app store owners.** The bill would require app store owners to verify users' ages, obtain parental consent for purchases or downloads, display age ratings, and provide certain information to app developers, among other provisions.

*Age verification and age categories.* CSSB 2420 would require owners of app stores when an individual in Texas created an account with the store, to verify the individual's age category using the following age categories:

- an individual younger than 13 years old would be considered a "child";

- an individual at least 13 but younger than 16 years old would be considered a "younger teenager";
- an individual at least 16 but younger than 18 years old would be considered an "older teenager"; and
- an individual at least 18 years old would be considered an "adult."

*Parental consent.* If the owner of an app store determined that an individual was a minor who belonged to an age category other than “adult,” the owner would have to require that the minor’s account be affiliated with a parent account. For an account to be affiliated with a minor’s account as a parent account, app store owners would be required to verify that the parent account belonged to an individual who the app store owner had verified belonged to the “adult” age category and who had legal authority to make decisions on behalf of the minor. A parent account could be affiliated with multiple minor accounts.

An app store owner would be required to obtain parental consent before allowing the minor to download or purchase software applications or make purchases in or using a software application. The app store owner would be required to obtain consent for each individual download or purchase sought by a minor and notify developers when consent was revoked.

To obtain consent from a minor’s parent or guardian, the app store owner could use any reasonable means to disclose to the parent or guardian:

- the specific software application or purchase for which consent is sought;
- the age rating established by the bill assigned to the software application or purchase;
- the specific content or other elements that led to the rating;
- the nature of any collection, use, or distribution of personal data that would occur because of the software application or purchase; and
- any measures taken to protect the personal data of users.

An app store owner also could obtain consent using any reasonable means to give the parent or guardian a clear choice to give or withhold consent for the download or purchase and ensure that the consent was given by the parent or guardian through the affiliated parent account.

If the app developer provided the owner of an app store with notice of a change to the app, the owner would be required to notify any individual who had given consent for a minor's use or purchase of the app and obtain consent for the minor's continued use or purchase of the app.

An app store owner would not be required to obtain consent from a minor's parent or guardian for the download of an app that:

- provided a user with direct access to emergency services;
- limited data collection to information collected in compliance with the federal Children's Online Privacy Protection Act of 1998 or information necessary for the provision of emergency services;
- allowed a user to access and use the app without requiring the user to create an account; and
- was operated by or in partnership with a governmental entity, a nonprofit organization, or an authorized emergency service provider.

An owner also would not be required to obtain consent for the purchase or download of a software application that was operated by or in partnership with a nonprofit organization that developed, sponsored, or administered a standardized test used for purposes of admission to or class placement in a postsecondary educational institution or a program within a postsecondary educational institution and was subject to prohibitions on the use of student information in the Education Code.

*Display of age rating.* If the owner of an app store that operated in Texas had a mechanism for displaying an age rating or other content notice, CSSB 2420 would require the owner to make an explanation of the mechanism available to users and display age ratings and content notices for each software application. If the app store did not have a mechanism

for displaying an age rating or content notice, the owner would be required to display for each application the assigned rating and the specific content or other elements that led to the assigned rating. This information would have to be clear, accurate, and conspicuous.

*Information for app developers.* App store owners also would be required to, using a commercially available method, allow software application developers to access current information related to each user's assigned age category and whether consent had been obtained for each minor user.

*Protection of personal data.* The bill would require app store owners to protect the personal data of users by limiting the collection and processing of personal data to the minimum amount necessary for age verification, obtaining parental consent, and maintaining compliance records. Owners also would have to transmit personal data using industry-standard encryption protocols that ensured data integrity and confidentiality.

*Violation.* The owner of an app store would violate the bill if the owner:

- enforced a contract or a provision of a terms of service agreement against a minor that the minor entered into or agreed to without parental consent;
- knowingly misrepresented information disclosed under provisions related to parental consent;
- obtained a blanket consent to authorize multiple downloads or purchases; or
- shared or disclosed personal data obtained for age verification, except as required to provide information to app developers or other law.

An app store would not be liable for a violation of age verification or parental consent provisions if the owner of the app store used widely adopted industry standards to verify the age of each user or obtain parental consent and applied those standards consistently and in good faith.

*Construction.* Nothing in this subchapter could be construed to:

- prevent an app store owner from taking reasonable measures to block, detect, or prevent the distribution of obscene material, as defined by law, or other material that may be harmful to minors;
- require an app store owner to disclose a user's personal data to an app developer except as provided by the bill;
- allow an app store owner to use a measure required by the bill in a manner that was arbitrary, capricious, anticompetitive, or unlawful;
- block or filter spam;
- prevent criminal activity; or
- protect the security of an app store or software application.

**Duties of software application developers.** CSSB 2420 would require software developers to assign age ratings to apps and in-app purchases, verify age and consent status using information from the app store, notify app stores of major changes to app content or data practices, and delete personal data after use.

*Designation of age rating.* An app developer would be required to assign to each app and to each purchase that could be made through the app an age rating based on the age categories established by the bill. An app developer would be required to provide to each app store through which the developer made the app available each assigned rating and the specific content or elements that led to that rating.

*Changes to software applications.* The bill would require an app developer to provide notice to each app store through which the developer made the app available before making any significant change to the app's terms of service or privacy policy. A change would be considered significant if it:

- changed the type or category of personal data collected, stored, or shared by the developer;
- affected or changed the assigned rating or the content or elements that led to that rating;
- added new monetization features to the software application,

- including new purchase opportunities or new advertisements; or
- materially changed the functionality or user experience of the software application.

*Age verification.* An app developer would be required to create and implement a system to use age category and consent information received from an app store to verify age categories assigned to app users and whether consent had been obtained for minor users.

*Use of personal data.* An app developer could use personal data provided by an app store only to enforce age restrictions and protections on the app, ensure compliance with applicable laws and regulations, and implement safety features and default settings. The bill would require the developer to delete this personal data upon completion of the verification.

*Violation.* An app developer would violate the bill if the developer:

- enforced a contract or a provision of a terms of service agreement against a minor that the minor entered into or agreed to without parental consent;
- knowingly misrepresented an age rating or reason for that rating; or
- shared or disclosed the personal data of a user acquired from an app store.

An app developer would not be liable for a violation of provisions related to designating age ratings if the developer used widely adopted industry standards to determine the rating and specific content and applied those standards consistently and in good faith.

**Other provisions.** A violation of the bill would constitute a deceptive trade practice and would be actionable under relevant statute.

The bill would take effect January 1, 2026.