Testimony of Digital Childhood Alliance Before the House Judiciary Committee Proponent Testimony on House Bill 226

Chairman Thomas, Vice Chair Mathews, Ranking Member Isaacsohn, and members of the House Judiciary Committee, thank you for the opportunity to provide proponent testimony on House Bill 226 (HB 226). My name is John Read and I am the Senior Policy Counsel for the Digital Childhood Alliance. The alliance consists of over 100 grassroots and larger organizations committed to protecting children and holding Big Tech accountable. Before joining the Digital Childhood Alliance, I was an attorney at the Department of Justice for 30 years, with may last years concentrated on legal issues surrounding Big Tech's businesses.

HB 226 focuses on the contracts that minors enter when they download apps onto their smartphone. Because most minors own an iPhone (88%),<sup>1</sup> I will emphasize Apple's role in that contracting process.

Most U.S. teenagers get their apps from Apple. When a consumer opens an App Store, they must accept extensive terms of service, and each time they download an app they make a separate contractual agreement. Teens are typically deemed to accept these app-specific contracts automatically, simply by downloading or opening the app. These agreements can grant developers sweeping access to personal data, including location, contacts, and browsing history, all without a parent's knowledge or consent.

In the physical world, minors cannot make contracts such as bank loans without permission of a parent or other responsible adult. But in the digital world, Apple operates differently. Apple designed and now facilitates a process where hundreds of millions of times a year unsophisticated minors contract away rights to developers without any adult approval.

Apple benefits from apps that run on its iPhones. Soon after it launched the iPhone 17 years ago, Apple solicited developers to create apps for its new phone.<sup>2</sup> Apple understood that it would sell more iPhones if apps that enticed consumers were available for the iPhone.<sup>3</sup> With apps, the iPhone became immensely popular. Surveys show that almost 90% of the time consumers use their phone they are on an app.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> https://mashable.com/article/teens-really-love-their-iphones (April 10, 2025)

<sup>&</sup>lt;sup>2</sup>https://en.wikipedia.org/wiki/App\_Store\_(Apple)#:~:text=The%20App%20Store%20opened%20on,more %20than%201.8%20million%20apps

<sup>&</sup>lt;sup>3</sup> https://www.justice.gov/archives/opa/media/1344546/dl?inline

<sup>&</sup>lt;sup>4</sup> https://buildfire.com/app-statistics/ (December 31, 2024)

Today you can download more than 1.9 million apps from almost 800,000 developers from the App Store.<sup>5</sup> Apple collects for itself and developers over \$90 billion per year from those app downloads.<sup>6</sup> That has helped make Apple the wealthiest company in the world with a market capitalization close to \$3 trillion.<sup>7</sup>

With the growth of the iPhone and apps that run on it, there has been a spike in kids who are depressed, anxious, socially isolated, and contemplating suicide. Research shows that increased smartphone and app use is a major cause of that spike.<sup>8</sup> To address that issue, this bill gives parents more control over what apps their children download and use.

Parents want to be involved. Surveys show that more than 83% of voters say parents should be empowered to consent to the contracts their children make and the apps they download.<sup>9</sup> But the app stores that Google and Apple run undermine those efforts. For example, Google's policy, as shown below in a clip from its webpage, is to let 13-year-olds terminate any parental supervision of the child's apps – even if the parent had earlier set up tools to approve what their child was downloading.<sup>10</sup>

## Children decide when to stop supervision

Children over 13 (or the applicable age in your country), who had supervision added to their account or updated their account, can choose to stop supervision.

This bill empowers parents to protect minors from contracts and apps that are harmful.

To make parental control meaningful, this bill requires developers to provide accurate age ratings so parents can have the information they need before consenting to an app for their child. Today, many developers falsely claim their apps are safe for children when they are not.<sup>11</sup>

Apple built its iPhone so that consumers can download apps only through its App Store. That means Apple acts as a gatekeeper for the billions of apps downloaded from

<sup>&</sup>lt;sup>5</sup> https://42matters.com/ios-apple-app-store-statistics-and-trends

<sup>&</sup>lt;sup>6</sup> https://www.businessofapps.com/data/apple-app-store-statistics/ (January 22, 2025)

<sup>&</sup>lt;sup>7</sup> https://companiesmarketcap.com/ (April 11, 2025)

<sup>&</sup>lt;sup>8</sup> https://pmc.ncbi.nlm.nih.gov/articles/PMC7012622/ Canadian Medical Association Journal,

<sup>&</sup>quot;Smartphones, social media use and youth mental health" (2020);

https://www.adventisthealth.org/blog/2023/august/how-screen-time-affects-teens-mental-health-and-/; https://www.psychiatrist.com/news/chronic-smartphone-use-linked-to-teen-anxiety-depression-and-insomnia/; Jonathan Haidt, *The Anxious Generation: How the Great Rewiring of Childhood Is Causing an Epidemic of Mental Illness* (2024).

<sup>&</sup>lt;sup>9</sup> https://alabamapolicy.org/2025/04/07/new-poll-finds-83-of-parents-favor-app-store-accountability/

<sup>&</sup>lt;sup>10</sup> https://support.google.com/families/answer/7106787?hl=en

<sup>&</sup>lt;sup>11</sup> https://www.movieguide.org/news-articles/deceptive-age-ratings-appear-on-apple-app-store-report-finds.html

its app store each year. It also means the legislature can solve almost all the problem of minors entering app contracts without adult supervision by regulating just two entities – Apple's app store and Google's Play Store – as opposed to asking the 800,000 developers to verify ages and obtain parental consent, most of whom do not have access to the data to do so.

This bill protects privacy – especially children's. Apple already knows and can verify its customer's age. The bill would require developers to protect any age-related data they obtain. Privacy is also improved for minors because now parents can reject any apps that through the contractual terms of service allow the developer to obtain and sell a teenager's data.<sup>12</sup>

The Act does not burden adults with age verification. A consumer's age is already in their phone, and nearly every adult already has a credit card in their digital wallet (which provides all the information needed to verify that someone is an adult). Consumers entered their age when they registered their device and got access to the app store. With the App Store Accountability Act, age verification is seamless for adults – no app developer will need to individually bother an adult for age verification because the app store will have already handled it in a way that protects privacy.

This Act also does not abridge free speech. In fact, it isn't about speech at all, but about conduct – specifically forming contracts. There's no reason to exempt app stores or app developers from the well-understood principle that children cannot enter contracts without the consent of a responsible adult.

Specifically, the Act doesn't violate the First Amendment. Age verification is a widespread practice – it happens at every liquor store, restaurant, bar, and movie theater in Ohio. Just as a store cannot sell liquor to a minor, an app store or app developer should not be allowed to enter a contract with a child who cannot possibly understand it.

Indeed, the Act is specifically designed to comply with the First Amendment by applying to all apps, not some subset (which could arguably raise First Amendment concerns about preferential treatment). In this way, HB 226 is very different from what happened to Ohio's Parental Notification by Social Media Operators Act. That Parental Notification law required web sites that "target[] children" or are "reasonably anticipated to be accessed by children" to obtain parental consent before a child 16 or younger could create an account.<sup>13</sup> The tech industry sued to enjoin that law.

3

<sup>&</sup>lt;sup>12</sup> The federal Children's Online Privacy Protection Act does not prohibit developers from selling the data of teenagers.

<sup>&</sup>lt;sup>13</sup> *NetChoice v. Yost*, 716 F. Supp.3d 539, 547 (S.D. Ohio 2024).

AG Yost attempted to justify the law by stating "the [Ohio] Act does not regulate speech, simply the ability of minors to contract . . . ."<sup>14</sup> But the trial court disagreed stating the Parental Notification law had inappropriately regulated content because it applied only to some websites, while excluding a host of other sites with the same features, and that it "require[d] consideration of the content on an operator's platform" to determine if it targets children or would be reasonably anticipated to be accessed by children.<sup>15</sup> Thus, the trial court found that the Parental Notification law regulated content.

In contrast, HB 226 applies to all apps, demonstrating that the legislation is "directed at unlawful conduct having nothing to do with . . . the expressive activity." By applying to all apps, HB 226 is akin to the regulation the Supreme Court held did not violate the First Amendment because it did not "single out any topic or subject matter for different treatment." <sup>17</sup>

I wholeheartedly support HB 226.

<sup>&</sup>lt;sup>14</sup> NetChoice v. Yost, 716 F. Supp.3d at 553.

<sup>&</sup>lt;sup>15</sup> *Yost*, 716 F. Supp.3d at 557.

<sup>&</sup>lt;sup>16</sup> Arcara v. Cloud Books, Inc., 478 U.S. 697, 707 (1986).

<sup>&</sup>lt;sup>17</sup> City of Austin, Texas v. Reagan National Advertising of Austin, LLC, 596 U.S. 61, 71 (2022).