

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB245

Patron: Head

Bill Title: Social media platforms; school boards; artificial intelligence systems; civil penalties.

Bill Summary: Imposes additional responsibilities on a controller or processor that operates a social media platform in the Commonwealth with respect to a known minor's use of such platform, including the configuration of default privacy settings to a high level of privacy, prohibition of discrimination and dark patterns, defined in the bill, and duty to exercise reasonable care to avoid any heightened risk of harm to a minor, as such term is defined in the bill. The bill also imposes duties on a controller or processor that operates an artificial intelligence system, defined in the bill, in the Commonwealth, including a duty to exercise reasonable care, provide clear and conspicuous disclosures, obtain consent for data collection, and implement reasonable security measures for data protection. Beginning on January 1, 2027, and annually thereafter, the bill requires a controller or processor that operates a social media platform or an artificial intelligence system to register with the Secretary of the Commonwealth and meet certain registration requirements. The bill allows the Attorney General to seek additional penalties for violations of the registration requirement. Finally, the bill provides that each school board shall prohibit public elementary and secondary schools, school board employees, and school volunteers from using a social media platform as the sole means of communication with students for the facilitation of school-related extracurricular activities. The bill provides an exception to such prohibition when such use is required to meet an objective that cannot be reasonably achieved without such use, provided that the division superintendent or his designee (i) provides clear, written instructions on such use and (ii) may revoke such exception at any time.

Budget Amendment Necessary: No

Items Impacted: N/A

Fiscal Summary: Preliminary - The Secretary of the Commonwealth's office indicates that the registration process described in the bill can be accommodated within an existing customer relationship management platform and as a result does not generate a fiscal impact.

The bill requires controllers and processors to pay an annual fee of \$100 upon registration. It is assumed that the fees would be deposited in the general fund. These deposits would have a positive, indeterminate impact on general fund revenues. The amount is indeterminate because it is unknown how many controllers or processors would register each year.

The impact on the Office of the Attorney General is indeterminate at this time.

Any impact to local school divisions to comply with the provisions of this bill is indeterminate.

Fiscal Analysis: See "Fiscal Summary"

Other: None.