

# SENATE BILL 602

J1  
SB 739/24 – FIN

6lr0732  
CF HB 715

---

By: **Senator Hester**

Introduced and read first time: February 5, 2026

Assigned to: Finance

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Algorithmic Addiction Fund – Establishment**

3 FOR the purpose of establishing the Algorithmic Addiction Fund as a special, nonlapsing  
4 fund; requiring interest earnings of the Fund to be credited to the Fund; requiring  
5 the Secretary of Health to develop certain goals, objectives, and indicators relating  
6 to algorithmic addiction treatment and prevention efforts and to consult with certain  
7 stakeholders on a certain basis to identify recommended appropriations from the  
8 Fund; and generally relating to the Algorithmic Addiction Fund.

9 BY repealing and reenacting, without amendments,  
10 Article – State Finance and Procurement  
11 Section 6–226(a)(2)(i) and (ii)  
12 Annotated Code of Maryland  
13 (2021 Replacement Volume and 2025 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – State Finance and Procurement  
16 Section 6–226(a)(2)(iii)212. and 213.  
17 Annotated Code of Maryland  
18 (2021 Replacement Volume and 2025 Supplement)

19 BY adding to  
20 Article – State Finance and Procurement  
21 Section 6–226(a)(2)(iii)214. and 7–332  
22 Annotated Code of Maryland  
23 (2021 Replacement Volume and 2025 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
25 That the Laws of Maryland read as follows:

26 **Article – State Finance and Procurement**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



6–226.

(a) (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

(ii) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(iii) The provisions of subparagraph (ii) of this paragraph do not apply to the following funds:

212. the Department of Social and Economic Mobility Special Fund; [and]

213. the Population Health Improvement Fund; AND

214. THE ALGORITHMIC ADDICTION FUND.

7–332.

(A) IN THIS SECTION, “FUND” MEANS THE ALGORITHMIC ADDICTION FUND.

(B) THERE IS AN ALGORITHMIC ADDICTION FUND.

(C) THE PURPOSE OF THE FUND IS TO RETAIN THE AMOUNT OF SETTLEMENT REVENUES DEPOSITED TO THE FUND IN ACCORDANCE WITH SUBSECTION (F)(1) OF THIS SECTION.

(D) THE MARYLAND DEPARTMENT OF HEALTH SHALL ADMINISTER THE FUND.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THIS SUBTITLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

1           (1) ALL CIVIL PENALTIES RECEIVED BY THE STATE FROM ANY  
2 SOURCE RESULTING, DIRECTLY OR INDIRECTLY, FROM A JUDGMENT AGAINST OR  
3 SETTLEMENT RELATING TO CLAIMS CONCERNING HARM TO CHILDREN FROM THE  
4 USE OF SOCIAL MEDIA AND THE IMPROPER USE OF ALGORITHMS MADE OR  
5 PROSECUTED BY THE STATE TO RECOVER DAMAGES FOR VIOLATIONS OF STATE  
6 LAW;

7           (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

8           (3) INTEREST EARNINGS OF THE FUND.

9       (G) (1) THE FUND MAY BE USED ONLY TO PROVIDE FUNDS FOR:

10           (I) CONDUCTING A NEEDS ASSESSMENT THROUGHOUT THE  
11 STATE TO DETERMINE WHERE RESOURCES ARE NEEDED AND BEST PRACTICES FOR  
12 ALGORITHMIC ADDICTION PREVENTION, INTERVENTION, AND TREATMENT;

13           (II) IMPROVING AND STRENGTHENING ACCESS TO SERVICES  
14 PROVEN TO TREAT THE MENTAL AND PHYSICAL HEALTH IMPACTS ASSOCIATED WITH  
15 ALGORITHMIC ADDICTION, INCLUDING DEPRESSION, ANXIETY, EATING DISORDERS,  
16 SUICIDE, AND SLEEP PROBLEMS;

17           (III) ALGORITHMIC ADDICTION INTERVENTION SERVICES;

18           (IV) ALGORITHMIC ADDICTION PREVENTION SERVICES,  
19 INCLUDING THE ORGANIZATION OF PRIMARY AND SECONDARY SCHOOL EDUCATION  
20 CAMPAIGNS TO PREVENT ALGORITHMIC ADDICTION AND PROMOTE DIGITAL AND  
21 MEDIA LITERACY, INCLUDING FOR ADMINISTRATIVE EXPENSES;

22           (V) RESEARCH AND TRAINING FOR ALGORITHMIC ADDICTION  
23 TREATMENT AND PREVENTION, AND SOCIAL MEDIA AND YOUTH MENTAL HEALTH,  
24 INCLUDING FOR ADMINISTRATIVE EXPENSES; AND

25           (VI) SUPPORTING AND EXPANDING OTHER EVIDENCE-BASED  
26 INTERVENTIONS FOR ALGORITHMIC ADDICTION PREVENTION AND TREATMENT.

27       (2) AFTER SATISFYING THE REQUIREMENTS OF PARAGRAPH (1) OF  
28 THIS SUBSECTION, ANY UNSPENT FUNDS IN THE FUND MAY BE EXPENDED BY THE  
29 MARYLAND DEPARTMENT OF HEALTH FOR YOUTH MENTAL HEALTH SERVICES.

30       (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND  
31 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

**(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.**

**(I) (1) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.**

**(2) FOR CIVIL PENALTIES RECEIVED BY THE STATE FROM ANY SOURCE RESULTING, DIRECTLY OR INDIRECTLY, FROM A JUDGMENT AGAINST OR SETTLEMENT RELATING TO CLAIMS CONCERNING HARM TO CHILDREN FROM THE USE OF SOCIAL MEDIA AND THE IMPROPER USE OF ALGORITHMS:**

**(I) APPROPRIATIONS FROM THE FUND IN THE STATE BUDGET SHALL BE MADE IN ACCORDANCE WITH THE ALLOCATION AND DISTRIBUTION OF FUNDS TO THE STATE AND ITS POLITICAL SUBDIVISIONS AS AGREED ON IN ANY STATE-SUBDIVISION AGREEMENT, AS AMENDED; AND**

**(II) THE SECRETARY OF HEALTH SHALL ESTABLISH AND ADMINISTER A GRANT PROGRAM FOR THE DISTRIBUTION OF FUNDS TO POLITICAL SUBDIVISIONS OF THE STATE IN ACCORDANCE WITH ANY STATE-SUBDIVISION AGREEMENT, AS AMENDED.**

**(3) THE ATTORNEY GENERAL SHALL IDENTIFY AND DESIGNATE THE CONTROLLING VERSION OF AN AGREEMENT OR AMENDMENT DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

**(J) (1) MONEY EXPENDED FROM THE FUND FOR THE PROGRAMS AND SERVICES DESCRIBED UNDER SUBSECTION (G) OF THIS SECTION IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAMS AND SERVICES.**

**(2) EXCEPT AS SPECIFIED IN SUBSECTION (G) OF THIS SECTION, MONEY EXPENDED FROM THE FUND MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.**

**(K) THE SECRETARY OF HEALTH SHALL:**

**(1) DEVELOP KEY GOALS, KEY OBJECTIVES, AND KEY PERFORMANCE INDICATORS RELATING TO ALGORITHMIC ADDICTION TREATMENT AND PREVENTION EFFORTS;**

**(2) SUBJECT TO SUBSECTION (H)(2) OF THIS SECTION, AT LEAST ONCE EACH YEAR, CONSULT WITH ALGORITHMIC ADDICTION TREATMENT AND PREVENTION STAKEHOLDERS, INCLUDING CONSUMERS, PROVIDERS, FAMILIES,**

1 AND ADVOCATES, TO IDENTIFY RECOMMENDED APPROPRIATIONS FROM THE FUND;  
2 AND

3 (3) ON OR BEFORE NOVEMBER 1 EACH YEAR, REPORT TO THE  
4 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT  
5 ARTICLE, ON:

6 (I) AN ACCOUNTING OF TOTAL FUNDS EXPENDED FROM THE  
7 FUND IN THE IMMEDIATELY PRECEDING FISCAL YEAR BY:

8 1. USE;

9 2. IF APPLICABLE, JURISDICTION; AND

10 3. BUDGET PROGRAM AND SUBDIVISION;

11 (II) THE PERFORMANCE INDICATORS AND PROGRESS TOWARD  
12 ACHIEVING THE GOALS AND OBJECTIVES DEVELOPED UNDER ITEM (1) OF THIS  
13 SUBSECTION; AND

14 (III) THE RECOMMENDED APPROPRIATIONS FROM THE FUND  
15 IDENTIFIED IN ACCORDANCE WITH ITEM (2) OF THIS SUBSECTION.

16 SECTION 2. AND BE IT FURTHER ENACTED, That:

17 (a) Section 1 of this Act shall take effect contingent on a judgment by a federal or  
18 State court against or settlement with technology conglomerates, technology companies,  
19 social media conglomerates, or social media companies relating to any claims made or  
20 prosecuted by the State to recover damages for violations of State law.

21 (b) Within 5 days after a judgment or settlement described in subsection (a) of  
22 this section is awarded or approved, the Attorney General shall notify the Department of  
23 Legislative Services.

24 (c) Section 1 of this Act shall take effect on the date the notice is received by the  
25 Department of Legislative Services in accordance with subsection (b) of this section.

26 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this  
27 Act, this Act shall take effect June 1, 2026.