HB 1179

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1179 (Delegate Nkongolo, *et al.*)
Economic Matters

Consumer Protection - Application Store Accountability Act

This bill establishes requirements for application store providers and developers related to age verification and parental consent. The Office of the Attorney General (OAG) must adopt regulations establishing processes and means by which an application store provider may verify an account holder's age category in accordance with the bill. The bill also includes a severability clause. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil penalty provisions. OAG may also bring an action against an application store provider or a developer to recover a civil penalty of up to $7,500 for each violation. If a minor was harmed by a violation of the bill, the court must award a prevailing plaintiff (1) remedies provided under MCPA; (2) the greater of actual damages or $1,000 for each violation; and (3) punitive damages if the violation was egregious.

Fiscal Summary

State Effect: The bill's imposition of existing (and new) penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill's requirements with existing resources.

Local Effect: The bill's imposition of existing penalty provisions does not have a material impact on local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: "Application" means a software application or an electronic service that a user may run or direct on a mobile device.

"Application store" means a publicly available website, software application, or electronic service that allows account holders to download applications from third-party developers onto a mobile device.

"Application store provider" means a person that owns, operates, or controls an application store that allows account holders in the State to download applications onto a mobile device.

"Developer" means a person that owns or controls a pre-installed application on a mobile device or an application made available through an application store in the State.

"Significant change" means a modification to the terms of service or privacy policy for an application that (1) materially alters the categories of data collected, stored, or shared; (2) materially alters the application's age rating or content descriptions; or (3) introduces, where no in-application purchases were previously present, either in-application purchases or advertisements.

Requirements for Application Store Providers

At the time an individual creates an account, an application store provider must (1) request age category information from the individual and (2) verify the individual's age category using either commercially available methods that are reasonably designed to ensure accuracy or a method or process that complies with regulations adopted by OAG pursuant to the bill. For an account in existence before the bill's October 1, 2026 effective date, an application store provider must, by October 1, 2027, request age category information from the individual and verify the age category using one of the aforementioned methods.

If the application store provider determines the individual is a minor, the provider must:

- require the account to be affiliated with a parent account;
- obtain verifiable parental consent from the holder of the affiliated parent account each time before allowing the minor to download or purchase an application or make an in-application purchase;
- after receiving notice of a significant change from a developer: (1) notify the account holder of the significant change; and (2) for a minor account, notify the parent account holder and obtain renewed verifiable parental consent before providing access to the significantly changed version;

- provide the following information to a developer, in response to a request authorized under separate provisions of the bill: (1) age category data for an account holder; and (2) the status of verifiable parental consent for a minor;
- provide a method for a parent account holder to withdraw consent and notify a developer when the parent revokes verifiable parental consent; and
- protect age category data and any associated data by adhering to specified standards.

An application store provider may not:

- enforce a contract or terms of service against a minor unless verifiable parental consent has been obtained;
- knowingly misrepresent the information in the parental consent disclosure; or
- share age category data and any associated data except as required by the bill or otherwise required by law.

Requirements for Developers

A developer must:

- verify through the application store's data-sharing methods (1) the age category data of account holders and (2) for a minor's account, whether verifiable parental consent has been obtained;
- notify application store providers of a significant change to an application;
- use age category data received through the application store's data-sharing methods to (1) enforce any developer-created age-related restrictions, safety-related features, or defaults and (2) ensure compliance with applicable laws and regulations; and
- request age category data or verifiable parental consent (1) at the time an account holder downloads or purchases an application or launches a pre-installed application for the first time; (2) when implementing a significant change to the application; or (3) to comply with applicable law.

A developer may request age category data:

- no more than once during each 12-month period to verify (1) the accuracy of age category data associated with an account holder or (2) continued account use within the age category;
- when there is reasonable suspicion of (1) account transfer or (2) misuse outside the age category; or
- at the time an account holder creates a new account with the developer.

When implementing any developer-created age-related restrictions, safety-related features, or defaults, a developer must use the lowest age category indicated by (1) age category data received through the application store's data-sharing methods or (2) age data independently collected by the developer.

Like application store providers, a developer may not:

- enforce a contract or terms of service against a minor unless the developer has verified through an application store's data-sharing methods that verifiable consent has been obtained;
- knowingly misrepresent any information in the parental consent disclosure; or
- share age category data with any person.

Liability

A developer is not liable for a violation if the developer demonstrates that it (1) relied in good faith on applicable age category data received through an application store's data-sharing methods; (2) relied in good faith on notification from an application store provider that verifiable parental consent was obtained if the account holder was a minor; (3) complied with the bill's requirements for developers.

A developer is not liable for a violation in determining an application's age rating and content description if the developer (1) uses widely adopted industry standards to determine the application's age category and content description and (2) applies those standards consistently and in good faith.

The above provisions apply only to actions brought under the bill and do not limit the liability of a developer or an application store under any other applicable law.

Nothing in the bill may be construed as limiting or negating any other available remedies or rights authorized under the laws of the State or the United States.

Other Provisions

The bill establishes additional requirements. For example, it establishes that its provisions may not be construed to prevent an application store provider or a developer from taking reasonable measures to (1) block, detect, or prevent distribution to minors of unlawful, obscene, or other harmful material; (2) block or filter spam; (3) prevent criminal activity; or (4) protect the application store or application security.

Current Law: An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease-and-desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to $10,000 for each violation and up to $25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to $1,000 and/or imprisonment for up to one year.

Small Business Effect: Although application store providers are generally not assumed to be small businesses, many developers may qualify as small businesses and must comply with the bill's requirements and procedures.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Legislative Services

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