
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2023 - 2024 Regular Session

SB 74 (Dodd) - State entities: state-owned or state-issued devices: social media platforms

Version: April 26, 2023

Urgency: Yes

Hearing Date: May 8, 2023

Policy Vote: G.O. 15 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: SB 74 requires a state entity to prohibit downloading specified social media applications on that entity's state-issued or state-owned electronic devices except in specified circumstances.

Fiscal Impact:

- Unknown fiscal impact, ranging from absorbable to potentially significant, for state entities that provide state-issued or state-owned electronic devices to meet the enforcement requirements of this bill. One-time costs include IT resources to prohibit users from downloading or accessing certain social media applications or websites and staff time to develop or update trainings or notices regarding IT security on state-issued devices. Ongoing costs include staff time to report to and update the California Department of Technology (CDT) when an entity uses a prohibited social media application for official state purposes.
- CDT anticipates the need for one permanent position and \$663,000 in the first year and ongoing (General Fund). Costs include funding for a contract with a vendor that specializes in mobile applications.

Background: In an attempt to keep U.S. data safe, the federal Office of Management and Budget Director Shalanda Young told agencies in a guidance memorandum sent in March of this year that all federal agencies must eliminate certain high-risk apps from their federal phones and electronic systems. That order proceeded action by the U.S. Congress in 2022, and similar actions from Canada, the European Union, Taiwan, India, and more than half of U.S. states.

The prohibitions, which apply to internet-enabled devices such as mobile phones, tablets, and computers, have been growing quickly since November 2022, when Federal Bureau of Investigation (FBI) Chris Wray expressed concerns that the Chinese Communist Party (CCP) could use apps owned by tech giant ByteDance to exploit Americans' user data for espionage operations and to control their mobile device software. Later the next month, Wray again warned that these apps could be used to manipulate content for influence operations.

Proposed Law:

- Requires a state entity to prohibit an application for a social media platform from being installed or downloaded on that entity's state-issued or state-owned electronic device if any of the following conditions are met:

- An entity or country of concern directly or indirectly owns or controls or holds 10 percent or more of the voting shares of the social media company that owns the application.
- An entity or country of concern has substantial direct or indirect influence over the social media company that owns the platform, as specified.
- The social media platform uses software or an algorithm controlled by a country of concern.
- Provides that an application for a social media platform may be installed or downloaded on a state entity's state-issued or state-owned electronic device if the state entity uses that application for official state purposes, including for official communications to the public on behalf of the entity, cybersecurity research, or law enforcement activities.
 - Requires a state entity utilizing this exception to report each use of that exception to the CDT.
- Establishes the following definitions:
 - "Country of concern" means a country identified by the International Traffic in Arms Regulations, as specified.
 - "Entity of concern" means a company domiciled, headquartered, or has its principal place of business in a country of concern.
 - "Social media company" means a person or entity that owns or operates one or more social media platforms.
 - "Social media platform" means a public or semipublic internet-based services or application that has users in California and a substantial function of the service or application is to connect users by allowing users to construct profiles and create or post content viewable by other users, as specified in Business and Professions Code §22675.
 - "State entity" means an entity within the executive branch, including all departments, boards, bureaus, commissions, councils, and offices.
- Provides the above is an urgency statute necessary to protect against imminent threats to data security.

Related Legislation: AB 227 (Sanchez, 2023) would prohibit a person from installing a social media app on a state-owned or state-issued electronic device if specified conditions are met. AB 227 is pending in the Assembly Privacy and Consumer Protection Committee.

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