

# VERMONT AGE-APPROPRIATE DESIGN CODE ACT OVERVIEW

## SUMMARY

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The Vermont Age-Appropriate Design Code Act mandates that online services, products, or features likely to be accessed by minors must prioritize children's safety and privacy in their design and operation. The Act requires covered businesses to configure default privacy settings to the highest level of protection for minors, provide tools for account deletion, provide minors with increased control over who they connect with online, and maintain transparency regarding data practices and algorithmic systems. Additionally, the Act prohibits certain data and design practices and establishes methods and privacy protections for age assurance. The Act is careful to focus on regulating platforms' harmful data management and design practices, not on harmful content. The Attorney General (AG) is authorized to enforce the Act and promulgate regulations to help implement the law. Violations also constitute unfair and deceptive acts under Vermont's Consumer Protection Act.

## BACKGROUND

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Current digital platforms often fail to adequately protect minors' privacy, safety, and well-being. Minors are exposed to various online risks, including cyberbullying, predatory behavior, design features borrowed from the gambling industry to induce compulsive behaviors, and excessive data collection.

Existing regulations, such as the federal Children's Online Privacy Protection Act (COPPA), primarily focus on children under 13, leaving a gap in protections for older minors. These laws are also decades old, so they do not account for the new risks that come from advancing technology and social media platforms.

Many online services use design features and data practices that can be detrimental to minors' development and mental health. Algorithmic recommendation systems, push notifications, and targeted advertising can contribute to compulsive use, body image issues, and declining mental health. The lack of transparency and user control over these features further exacerbates the risks.

## PROBLEM

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The digital landscape poses several challenges to the well-being of minors:

- **Privacy Violations:** Online services collect extensive data on minors, often without their full understanding or meaningful consent. This data can be used for targeted advertising, profiling, and other potentially harmful purposes.
- **Harmful Design Practices:** Features like infinite scroll, autoplay, and push notifications can encourage excessive use, which interferes with important life activities and can leave minors feeling exhausted, anxious, and disconnected.

- **Lack of Transparency:** Minors and their parents often lack clear information about how online services collect, use, and share minors' data.
- **Compulsive Use:** Certain design elements and algorithms can lead to compulsive use, disrupting sleep, academic performance, and social interactions. Research indicates that compulsive internet use is associated with increased symptoms of depression, anxiety, and social isolation in adolescents.
- **Emotional Distress:** The Act recognizes the potential for online services to cause emotional distress to minors. Studies have linked social media use to increased rates of depression and anxiety among adolescents. A meta-analysis found that cyberbullying victimization is associated with a 2.35 times higher risk of suicidal ideation.
- **Safety Risks:** The current lack of social media regulation exposes minors to cyberbullying, online predators, and other safety risks. Statistics show that approximately 37% of young people between the ages of 12 and 17 have reported experiencing cyberbullying, and 30% have had it happen more than once.
- **Equity Concerns:** The Act aims to prevent discrimination against minors based on various protected characteristics, including race, sexual orientation, and gender identity. Research has shown that algorithms can perpetuate biases, potentially leading to discriminatory outcomes in areas such as education and employment opportunities.

## SOLUTION

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The Vermont Age-Appropriate Design Code Act addresses these problems by:

- **Requiring Default Privacy Settings:** Online services must default to the highest privacy settings for minors, limiting data collection and sharing.
- **Mandating Transparency:** Covered businesses must clearly disclose their data practices, algorithmic systems, and features that use minors' data.
- **Prohibiting Harmful Data Practices:** The Act restricts the collection, sale, and use of minors' data and categorizes data collected from minors as sensitive data.
- **Restricting Design Practices:** Certain design features that encourage compulsive use or expose minors to harm are prohibited.
- **Establishing Age Assurance Methods:** The Act sets standards for age assurance methods, prioritizing user privacy and accessibility, and directs the AG to implement rules to ensure methods remain up to date.
- **Enforcement:** The AG is granted authority to enforce the Act, with violations considered unfair and deceptive acts under Vermont's Consumer Protection Act.
- **Empowering Minors:** The Act provides minors with tools to control their online experience, including the ability to delete their accounts and limit data sharing.
- **Promoting Equity:** The Act explicitly prohibits discrimination against minors based on race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, or national origin.

The Act aims to create a safer and more age-appropriate online environment for Vermont's minors, ensuring their well-being and protecting their rights in the digital age.