

118TH CONGRESS
2D SESSION

S. _____

To amend the Securities Exchange Act of 1934 to require social media companies to disclose the gross revenues from transactions involving individuals who are younger than 21 years of age, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HELMY introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to require social media companies to disclose the gross revenues from transactions involving individuals who are younger than 21 years of age, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Youth Revenue Trans-
5 parency Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The Securities and Exchange Commission
2 (referred to in this section as the “Commission”)
3 has broad authority to require the disclosure of in-
4 formation if that information is in the interest of, or
5 is material to, investors.

6 (2) As of the day before the date of enactment
7 of this Act, the Commission does not require social
8 media companies to disclose information related to
9 the gross revenues generated from transactions in-
10 volving individuals who are younger than 21 years of
11 age (referred to in this section as “young individ-
12 uals”) or related to the amount spent on marketing
13 targeted toward young individuals.

14 (3) Requiring the reporting and standardization
15 of the information described in paragraph (2) is in
16 the interest of the public, and ultimately investors,
17 for the following reasons:

18 (A) Young individuals in the United States
19 are in crisis, as evidenced by the fact that, dur-
20 ing the 10-year period preceding the date of en-
21 actment of this Act, cases of severe depression
22 among young individuals in the United States
23 have nearly doubled.

1 (B) In the 2010s, suicidal behaviors among
2 high school students in the United States in-
3 creased by more than 40 percent.

4 (C) The products offered by social media
5 companies have altered the way that young in-
6 dividuals in the United States see themselves
7 and the way their brains develop, and the Sur-
8 geon General has issued a historic and alarming
9 report recognizing the detrimental impacts of
10 those products on young individuals.

11 (D) Frequent users of products offered by
12 social media companies are twice as likely to ex-
13 perience mental health challenges, including the
14 formation of suicidal thoughts.

15 (E) 95 percent of young individuals in the
16 United States report using products offered by
17 social media almost constantly.

18 (F) Investors face increasing uncertainty
19 as the impacts of products offered by social
20 media companies on young individuals become
21 clear.

22 (G) Valuations of social media companies
23 have not faced volatility when investors and the
24 public have been made aware of the adverse im-
25 pacts caused by those companies, but some in-

1 investors have limitations on investing in compa-
2 nies that harm young individuals and society at
3 large.

4 (H) Disclosing the engagement that a so-
5 cial media company has with young individuals
6 could inform investors so that investors can be
7 more informed stewards of capital for their lim-
8 ited partners.

9 **SEC. 3. DISCLOSURE REQUIRED.**

10 Section 14 of the Securities Exchange Act of 1934
11 (15 U.S.C. 78n) is amended by adding at the end the fol-
12 lowing:

13 “(l) DISCLOSURE REGARDING YOUNG INDIVID-
14 UALS.—

15 “(1) DEFINITIONS.—In this subsection:

16 “(A) COVERED ISSUER.—The term ‘cov-
17 ered issuer’ means an issuer—

18 “(i) that is a social media company;

19 and

20 “(ii)(I) the securities of which are reg-
21 istered under section 12; or

22 “(II) that is required to file annual
23 reports under section 15(d).

24 “(B) FINANCIAL STATEMENT.—The term
25 ‘financial statement’, with respect to any proxy

1 or consent solicitation material for an annual
2 meeting of shareholders of a covered issuer,
3 means a balance sheet, cash flow statement, or
4 income statement that is included in that proxy
5 or consent solicitation material.

6 “(C) **MARKETING.**—The term ‘marketing’
7 means any activity carried out by a covered
8 issuer to attract new customers or to increase
9 usage by existing customers.

10 “(D) **SOCIAL MEDIA COMPANY.**—The term
11 ‘social media company’ means an entity that
12 operates a digital platform that facilitates the
13 sharing of content, ideas, and information to
14 promote social interaction through websites, ap-
15 plications, and other platforms.

16 “(E) **YOUNG INDIVIDUAL.**—The term
17 ‘young individual’ means an individual who is
18 younger than 21 years of age.

19 “(2) **REQUIREMENT.**—Each covered issuer shall
20 disclose in each financial statement included in any
21 proxy or consent solicitation material for an annual
22 meeting of the shareholders of the covered issuer,
23 for the applicable period—

24 “(A) the gross revenues generated from
25 transactions involving young individuals; and

1 “(B) the total amount spent on marketing
2 targeted toward young individuals.”.