Understanding, Enforcement, and Investment: Options and Opportunities for State Regulation of Online Content

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Executive Summary

With sustained public attention on online content, members of Congress have introduced dozens of bills seeking to regulate it. Yet, despite the legislative activity in Washington, no meaningful reform has been passed by Congress. In the absence of federal reform, state governments have begun experimenting with ways to regulate online expression. On the right, legislators have introduced dozens of bills addressing what they see as problematic online censorship. On the left, legislators have introduced a series of bills addressing what they see as harmful online content.

Yet, state legislation from both Democrats and Republicans faces significant legal and practical challenges, limiting the efficacy of state government reform efforts to date.

So, what can states do to regulate online content and content moderation? Rather than focus on the problems with existing approaches, this brief offers an affirmative agenda. While the left and the right disagree about the specific problems that need to be addressed, both want to improve the health of our communication systems.

We present a set of specific policy options for state governments interested in improving the informational health of local communities while addressing both problematic content and issues of content moderation. We provide a series of 13 recommendations grouped into three categories: understanding, enforcement, and investment.

First, states could improve our understanding of how online content and content moderation affects states.

- States could convene multistakeholder commissions to study the impact of online content and content moderation in states, counties, and municipalities.
- States could fund research on state-level impacts of problematic content and content moderation.
- States could facilitate data sharing between platforms and researchers to support research on online expression at the state level.
- States could use regulatory sandboxes to promote content policy experimentation at the state level.

Second, states could strengthen enforcement against problematic content and problematic content moderation practices.

- States could prosecute companies for egregious and systematic violations of state consumer protection laws.
- States could revise and expand criminal laws related to false election speech that result in voter suppression or voter fraud.
- State legislatures could support and enhance the power of state election boards to investigate and enforce laws against false election speech that result in voter suppression or voter fraud.
- States could better support state medical boards to investigate and enforce violations of professional conduct.

Third, states could increase investment in local communication systems by strengthening outreach, public institutions, and education.

- States could increase funding for communication departments and critical communication campaigns.
- States could partner with non-profits to direct funding and resources to local news outlets.
- States could provide financial support for news publishers, including offering tax subsidies and making news subscriptions tax deductible.
- States could promote media literacy training in schools and communities.
- States could support other public institutions essential to community information health.
Background
Recent state legislative efforts to regulate online content

Over the past few years, state representatives have introduced dozens of legislative proposals to address online content and content moderation. These proposals have taken a variety of forms. In this section, we review some of these approaches. Importantly, this section does not provide a comprehensive list of every bill introduced but rather aims to highlight the key ideas discussed in state legislatures.

Prohibiting content removal

By far the most common tactic appearing in state content regulation bills has been to prohibit companies from removing users’ legal speech. Typically, these bills have been introduced by Republicans. While some proposals – such as bills introduced in Ohio, Alabama, Tennessee, North Dakota, Iowa, Wyoming, and Alaska – apply broad prohibitions on moderation of nearly any legal user content, others include exceptions that permit moderation in certain circumstances, such as for “obscene,” “excessively violent,” or “otherwise objectionable” content. A bill in Montana would permit moderation in these circumstances even if the material is “constitutionally protected.”

Other bills impose prohibitions on moderation in more limited circumstances. For instance, a series of nearly identical bills introduced by Republicans in at least 15 states would prohibit platforms from “delete[ing] or censor[ing]” users’ “religious speech or political speech” specifically.

Focusing more closely on political speech, a handful of bills would prohibit companies from moderating any speech by political candidates. Notably, bills in New Jersey and Florida not only prohibit moderation of content by candidates, but also moderation about them.

A bill introduced in West Virginia would require that platform moderation of any election-related content—including information about voting processes or about any candidate – be first approved by the secretary of state. The bills introduced in Florida and New Jersey would also prohibit moderation of content created by journalistic outlets. The two bills include different definitions of news outlets, with the New Jersey bill adopting a definition that would likely cover most people producing content online.

Interestingly, while some bills specify that only state attorneys general can enforce violations of new online content laws, others grant a private right of action to users so that they can file civil cases on their own. While some proposals confine the private right of action to those whose content has been moderated, others include anyone who might have seen moderated content. In doing so, these bills seem to be taking a page from the recently passed Texas abortion bill that permits citizens to file civil lawsuits against abortion providers.

Prohibiting algorithmic curation, “post-prioritization,” or “shadow banning”

Beyond limiting content moderation, a series of bills introduced by Republicans would also prohibit many forms of algorithmic curation. The group of 15 nearly identical bills includes language that would prevent platforms using an “algorithm to disfavor, shadowban, or censor the user’s religious speech or political speech.” The Florida and New Jersey bills would ban “post-prioritization” and “shadow banning” for any political candidates. While those bills would technically permit algorithmic curation otherwise, they — along with other bills — require platforms to “allow a user to opt out of post-prioritization and shadow banning algorithm categories to allow sequential or chronological posts and content.”

Creating transparency requirements

Both parties have introduced legislation imposing transparency requirements on platforms. The GOP-backed bills passed in Florida and Texas, among others, specifically link platform moderation to information disclosure: platforms may moderate content if they provide certain information to users. These disclosure requirements range from informing users when and why their content has been moderated.

1 The Montana bill exempts action against “obscene, sex trafficking, child pornography, excessively violent, harassing, or otherwise objectionable, whether or not the material is constitutionally protected.” The North Dakota bill exempts action against “obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable subject matter”

2 The state bills include: Arizona HB1428, Hawaii SB357, Idaho HB323, Illinois HB4145, Kentucky SB111, Louisiana SB196, Mine HP1198, Mississippi HB151, Missouri HB482, North Carolina SB497, Oklahoma SB383, Pennsylvania SB604, Rhode Island HB5564, South Carolina HB3450, and South Dakota HB1223. Wisconsin AB 591 also adopts many of the provisions of this bill.

3 While both bills define as journalistic outlet those operating a cable channel or operating under an FCC broadcast license, they disagree about what counts as online journalistic outlets. For the Florida bill, journalistic outlets must publish more than 100,000 words online with more than 50,000 paid subscribers or 100,000 monthly active users. Alternatively, outlets can host 100 hours of audio/video with 100 million viewers annually. For New Jersey, a journalistic outlet is any that “publish[es] words, audio, or video online and making such published material available to Internet users.”
actioned and how many people saw a post, to broader disclosures about content policies, enforcement actions, and moderation and ranking algorithms.

On the Democratic side, a bill in California would require platforms to display content policies and to submit quarterly or biannual reports reporting “violations of the terms of service.” A bill in Connecticut simply requires that the general statutes be amended to “[i]ncrease transparency from social media companies.”

Process limitations

Several bills introduced by Republicans, such as those in Utah and Texas, would require platforms to create an appeals process so that users could challenge content moderation decisions.

Other bills would restrict the number of times that a platform can make changes to its terms of service or community standards. For example, the bill passed in Florida specifies a platform may not make changes more than once every 30 days, while a Wisconsin bill specifies no more than once every 180 days.

Bills such as those in Florida, Montana, Wisconsin, and New Jersey would require that content moderation be “applied equally” or “consistently.” However, none of these proposals specifies what “equal” or “consistent” moderation means or how this principle would be assessed and enforced.

A bill introduced by Democrats in California would require platforms “located in California” to develop policies regarding both “unprotected speech” and speech “that purport[s] to state factual information that is demonstrably false.”

Limiting misinformation

While the bills discussed above focus on limiting content restrictions, several state bills introduced by Democrats aim to achieve the opposite objective: increasing restrictions on false content. A legislator in New York recently introduced a bill that would ban platforms from carrying or algorithmically curating any content that “endangers the safety or health of the public,” specifically that supports or is likely to incite violence, that “advocates for self-harm,” or that “includes a false statement of fact or fraudulent medical theory” that is likely to cause harm.

As discussed below, most states already criminalize certain types of false election speech. However, Democratic legislators in some states have recently introduced legislation to expand these laws. A bill in California would criminalize distributing “with actual malice materially deceptive audio or visual media.” A bill introduced in Oregon would prohibit producing or circulating false claims about election dates, deadlines, voting locations, or methods. Similarly, a bill in Washington would prohibit any false claims about “election process or election results.”

A bill introduced by Republicans in West Virginia would require that platforms obtain approval before publishing any content about the time, date, or process of elections.

Supporting research

A bill recently introduced by a Democrat in the Virginia House of Delegates would create a legislative commission to analyze “the impacts and harms to citizens caused by social media platforms hosting or amplifying content that includes threats or suggestions of physical violence or danger.” Relatively, a Republican-backed bill in New York would create a task force to “to study the practices and policies of social media companies … including but not limited to, forms of censorship employed by social media companies.”

Content commissions

Finally, a handful of bills have proposed setting up new state-level institutions to oversee content decisions made by platforms. A bill introduced by Democrats in Colorado proposed a permanent “digital communications” division within state regulatory agencies, as well as a digital communication commission that would pull members from government, industry, and civil society. A bill introduced in Montana by a Republican representative would create a state commission to resolve complaints against platforms regarding content moderation. The commission would have the power to impose fines on platforms up to “1% of the providers gross revenue during the period of the breach.”

4 For this bill, “Located in California” means, to the extent consistent with federal law, either the person operating the social media platform maintains a business in California, or the user of that platform is located in California.

5 One of us (JSBB) spoke at a hearing of the Committee of Rules on Feb 3rd, 2022, before the bill was tabled.
Challenges to regulating online content at the state level

State regulation of online content is heavily constrained by federal law. States face statutory hurdles and constitutional limitations on their ability to regulate speech.

First Amendment

The First Amendment restricts the ability of state and federal governments to constrain speech. These restrictions result in broad speech protections for users on platforms and for platforms themselves. Governments are prohibited from banning or limiting the distribution and reach of constitutionally protected speech. At the same time, restrictions on illegal content that may also result in limitations on legal speech or that compel platforms to monitor or moderate content may not be constitutional. These protections do not constrain platforms from actioning user content, on the contrary, they protect platforms’ ability to moderate content. Additionally, some have argued that First Amendment protections also prevent governments from requiring platforms to disclose information about their editorial or moderation practices.

Section 230

Section 230 of the Communications Decency Act protects online intermediaries from being held liable for the content they host, even if they moderate that content. Notably, while Section 230 includes an exemption for federal criminal law it does not include one for state criminal law. For example, while defendants cannot use Section 230 as a defense in a case brought under federal criminal law, such as laws against terrorism, they could employ the defense in a case brought under state criminal law, such as a state’s laws against false election speech.

Mixed motivations

Legal restrictions are not the only impediments to state-level legislation of platform content and content moderation. While Democrats and Republicans have both proposed state-level legislation, the two parties do not generally agree on the problem they are trying to address. To simplify somewhat, the right wants to limit platform content moderation that they believe censors conservative speech, while the left wants to expand moderation to address content they believe to be harmful. These conflicting purposes have made it harder to pass both state and federal legislation.
**Recommendations**

As noted above, states have limited power to directly regulate online speech. However, there are steps state governments can take to address the problems of problematic content and content moderation and meaningfully improve the health of our communication systems. Below we offer a series of specific recommendations grouped into three categories.

Importantly, we do not expect any state to enact all of these, nor do we expect that adopting these recommendations would “solve” all the problems of online expression. Our aim is to provide a set of potential interventions state governments can adopt that are politically and legally feasible, that are unlikely to have a significant negative impact on product quality, and that will make at least incremental improvements to online content and content moderation.

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**Understanding**

States could improve our understanding of how problematic online content and its moderation by platforms affects states.

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**States could convene multistakeholder commissions to study the impact of online content and content moderation in states, counties, and municipalities.** Problematic content and content moderation present difficult policy questions. States would benefit from creating dedicated institutions to study and address these issues. Commissions could convene members with perspectives and expertise from across sectors, drawing from industry, civil society, academia, and government. Commissions could conduct, promote, and support research and analysis of state-level impacts of social media content issues, especially regarding harms to vulnerable communities and censorship of political viewpoints. Drawing on this research and analysis, commissions will be able to provide actionable, concrete policy recommendations that are tailored to existing state laws and state needs.

**State agencies could fund research on state-level impacts of problematic content and content moderation. This research should include studies on the effectiveness of content interventions by platforms.** Despite a great deal of research on information disorder, we lack sufficient understanding of how problematic online content impacts specific online and offline communities at the state and local levels. A significant percentage of existing research focuses on national or global impacts. States can play a key role funding research with a much narrower state or local lens. For example, states could support research analyzing how local elections, local conflicts, and local movements are impacted by online content and content moderation.

Similarly, successful implementation of content regulation is seriously impeded by our lack of understanding about the effectiveness of interventions. We lack rigorous empirical data and analysis of many of the interventions suggested by legislators as well as those executed by platforms. Indeed, there is reason to believe that some interventions may have notable unintended consequences.

For example, rather than benefiting political discourse, the restrictions and bans on political advertising in the 2020 election by many platforms had unequal impact: harming challengers more than incumbents, Democrats more than Republicans, and smaller campaigns more than well-funded ones. States and the state commissions described above could fund research assessing the impact of content interventions.

**States could facilitate data sharing between platforms and researchers.** To conduct research on the impacts of problematic content and the efficacy of content interventions, researchers and platforms need a viable and scalable regime for data sharing. Currently, platforms may be exposed to legal liability when they share data with researchers, and researchers may be exposed to legal liability when they obtain data from platforms. State governments could facilitate data sharing by granting limited liability protections to both researchers and platforms when data is shared consistent with privacy and security best practices. Legislatures could enshrine these liability protections in law, and attorneys general could also provide clear guidance on how they will enforce existing statutes.

**State could use regulatory sandboxes to promote content policy experimentation.** Regulatory sandboxes have been shown to be useful tools to allow companies and governments to experiment with new approaches to products and regulation and to gather data on the costs and benefits of different models. For instance, they have been used in heavily regulated industries, such as finance and insurance, to allow companies to experiment with new products. Governments can also use them to temporarily establish and evaluate new regulatory models, using insights to iterate regulation. Sandboxes could also include auditing by external organizations, such as multistakeholder...
review bodies that include participants from industry, government, academic, and non-profit sectors. Although they have been used primarily outside of the United States to date, numerous states have recently passed laws creating sandboxes at the state level. While state sandboxes would not relax constitutional constraints, state regulatory sandboxes could allow platforms to experiment and test new data access provisions, content moderation interventions, or new content-related products.

**ENFORCEMENT**

States could strengthen enforcement against problematic content and problematic content moderation practices.

**Attorneys general could prosecute platforms for egregious and systematic violations of state consumer protection laws.** Each state has an Unfair or Deceptive Acts or Practices (UDAP) law that grants state attorneys general the authority to bring suit for unfair or deceptive business practices. There is some variation across states, but the core idea is the same: businesses cannot deceive their customers.

Platforms use terms of service to outline their commitments to and the expectations they have of users. Terms of service often are supplemented by more specific standards governing the content that is permitted on the platforms. These rules constitute an agreement between platforms and users both about what content is not permitted and about how those rules will be enforced.

If a platform fails to live up to the explicit promises they make regarding content and content moderation, a state attorney general could bring an unfair and deceptive practices claim based on that state’s UDAP law.

Importantly, we have concerns that state attorneys general might bring these suits to score political points, that a series of meritless suits could overburden smaller platforms, or that these suits could encourage platforms to be less transparent about policies to lessen the risk for litigation. Furthermore, content moderation at scale means there will always be errors: violating content errantly left up or non-violating content errantly removed. We do not believe single instances of moderation errors should warrant prosecution. We strongly recommend attorneys general collaborate with their counterparts from other states when bringing cases and that they prosecute only egregious and systematic violations. This approach to UDAP enforcement will increase the likelihood that attorneys general bring meritorious cases, that they do not bring an excessive number of cases, and that prosecutors have sufficient resources to bring strong cases.

**States could revise and expand criminal laws related to false election speech that result in voter suppression or voter fraud.** In the absence of federal election speech laws, many states have laws that criminalize forms of false election-related speech and voter fraud. These laws, however, vary across states, prohibiting some false claims about elections but permitting others. For example, Minnesota criminalizes false claims “regarding the time, place, or manner of conducting an election” meant to impede voting as well as false claims about candidate endorsements. In contrast, Vermont and Maine have no restrictions on false election-related speech.

States could expand existing laws to forbid false election-related online speech, including about the date or location of elections, ID requirements, and voting processes. More states could explicitly criminalize false or misleading content intended to intimidate or defraud voters to suppress participation. States could pass comprehensive legislation to modernize electoral conduct, including prohibitions on both deceptive and fraudulent practices. Any state law in this area will need to be scoped narrowly to survive First Amendment challenges.

Importantly, we believe a federal false election speech law, such as that originally introduced by then-Senator Barak Obama in 2007 and recently included in HR 1, would be preferable to state legislation. This provision of HR 1 would expand the scope of potential platform liability by removing Section 230 as a defense in certain voter suppression cases. The law would have this effect because it would criminalize voter suppression, and Section 230 cannot be used as a defense in cases brought under federal criminal law. However, in the absence of federal legislation, expanding state criminal speech laws could still permit states to prosecute the producers of illegal content and may incentivize some platforms to remove content that violates new state laws.

**State legislatures could support and enhance the powers of state election boards to investigate and enforce laws against false election speech that result in voter suppression or voter fraud.** It is already within the mandate of state election boards to investigate and refer for prosecution violations of election laws. However, many state boards lack the funding and staff to do so. Legislatures could ensure that election boards have the resources
necessary to investigate and enforce false election speech laws including cases of online voter fraud, so long as there is sufficient evidence to warrant investigation.

**States could better support state medical boards to investigate and enforce violations of professional conduct.** Doctors have been a significant source of medical disinformation during the pandemic. Under the authority of state medical practice laws, state medical boards may investigate and action doctors who engage in fraud or unprofessional conduct. In some states, unprofessional conduct explicitly includes spreading or profiting from disinformation. For example, the North Carolina Medical Practices Act lists as unprofessional conduct:

> departure from, or the failure to conform to, the standards of acceptable and prevailing medical practice, or the ethics of the medical profession, irrespective of whether or not a patient is injured thereby, or the committing of any act contrary to honesty, justice, or good morals, whether the same is committed in the course of the licensee’s practice or otherwise, and whether committed within or without North Carolina.

Last year, the Federation of State Medical Boards, a country-wide trade group, released a statement asserting that doctors who knowingly spread COVID-19 disinformation “are risking disciplinary action by state medical boards.” While boards in more than a dozen states have released statements specially cautioning doctors not to spread COVID disinformation or risk losing their licenses, there have only been a handful of disciplinary actions.

There are several reasons state medical boards have been impeded in aggressively disciplining doctors spreading disinformation.7 While some states explicitly identify spreading disinformation as unprofessional conduct, there remain significant variations in medical practice laws. Second, few boards have the resources or capacity to proactively investigate cases of members spreading disinformation; most only respond to submitted complaints. Finally, medical boards face significant partisan headwinds. Legislators in many states have introduced bills that would restrict the ability of medical boards to action physicians “for exercising his or her constitutional right of free speech” unless that speech “led to the direct physical harm” of a patient. A Tennessee legislator recently threatened to replace every member of the state medical board in response to a statement against medical disinformation.8

To better enable state medical boards to hold physicians who spread disinformation accountable, legislatures in states without existing laws could amend medical practice acts to clearly define knowingly spreading disinformation as unprofessional conduct. Legislatures should also increase funding for medical boards9 to investigate and prosecute violation of policy.

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7 We would like to thank Nick Sawyer of No License for Disinformation and Mark Miller of the de Beaumont Foundation for their input in this section.

8 It remains unclear if the legislator had this power. The TN legislator instigated a “sunset hearing,” a process to dissolve boards that are outdated.

9 State medical boards are funded through a mix of state funding and licensing fees that varies by state.
newsrooms, modeled on the New Jersey Civic Information Consortium.\(^\text{10}\)

We envision news consortia having at least four main responsibilities. First, they could run grant programs to distribute funding to state news outlets. Consortia could supply the capacity and expertise to ensure funds are distributed where they are most needed. At the same time, consortia could serve as firewalls between news outlets and the state, limiting the potential for partisan manipulation.

Second, consortia could raise and then distribute money from donors and private foundations. By providing staff salaries and administrative support, states could help consortia raise funds to complement state funding.

Third, consortia could work with news outlets to secure advertising contracts with state, county, and municipal governments. Local news outlets provide a direct means of reaching constituents and residents with essential information. Consortia could facilitate advertising contracts and collaborate with outlets to navigate the often-difficult processes of contracting with government agencies.

Finally, consortia could provide resources and training for news outlets. They could partner with college and university journalism departments, provide training on new methods or legal issues, and collect useful resources for local reporters.

**States could provide financial support for news publishers, including offering tax subsidies and making news subscriptions tax deductible.** While the problems facing local news outlets are severe, states could institute a series of small-scale interventions to aid outlets.\(^\text{11}\) The federal Build Back Better Bill would have provided a refundable tax credit for local newsrooms based on the number of full-time journalists they employ. States could adopt a similar provision, decreasing publishers’ state tax burdens. We recommend states provide newsrooms a refundable state tax credit for each employed journalist, covering a portion of their salaries.

Second, states could provide residents a tax refund for subscriptions to local news outlets. While unlikely to have a major impact on subscriptions, this tax rebate could at least signal state governments’ commitment to supporting local news outlets.

**States could promote media literacy training in schools and communities.** While school curricula in many states include some form of media literacy, only a handful of states include detailed, comprehensive media literacy programs. We recommend that state legislatures require comprehensive media literacy education in school curricula, providing additional funding either for teacher education, or subcontracting lessons with nationally recognized experts or non-profits. Following Media Literacy Now, we define comprehensive media literacy education as building skills to “decode media messages (including the systems in which they exist)” including best practices for accessing content; to “assess the influence of those messages on thoughts, feelings, and behaviors;” and to “create media thoughtfully and conscientiously.”

Scholars have expressed concern that digital media literacy programs may not only be ineffectual but could exacerbate information disorder by undermining trust and encouraging users, for example, to “do their own research.” While we agree that media literacy training will not solve the problems of information disorder, we believe basic skills in accessing, assessing, and creating online content remain foundational to contemporary citizenship. It is, however, essential that media literacy programs are thoughtfully designed. We therefore recommend that school and community programs partner with established non-profits to design and execute media literacy programs.

Recent research has suggested older users often are disproportionately responsible for sharing problematic and false content online. We recommend that states also extend media literacy programs to adults and seniors. States should work with public libraries, community centers, and local non-profits to hold short media literacy courses. As above, we believe it is important that states partner with established organizations that specialize in media literacy education to design and implement courses.

**States could support other public institutions essential to community informational health.** Libraries, schools, universities, senior centers, and other institutions are essential to the informational health of communities. For example, many libraries do much more than lend books: they run literacy, research, and life skills training programs; provide internet and computer access; offer research expertise; provide community meeting and study space — along with many other essential informational services. States could provide additional funding for libraries and other public institutions to support current services and expand the range of programmatic offerings and initiatives, recognizing that healthy communication environments require healthy institutions.