

**Fair Software Licensing (FSL) has been enacted in multiple states around the country, and will be considered by many more in 2026. The language reads:**

*A state contract for the licensing of software applications, which are intended to be installed by a state agency and designed to run on generally available desktop or server hardware, shall not limit a state agency's ability to install or run the software on the hardware of the state agency's choosing*

### **What is the purpose of (FSL), and what problem does it address?**

The purpose of FSL is to ensure that when a state agency buys software, the contract doesn't artificially restrict where or how the software can be used. This means the agency should be free to run the software on whatever computer systems or cloud services work best for its needs, without being locked into one specific setup.

The need for this legislation arises out of growing concern among IT leaders, procurement offices, and regulators around the country (and the world) that restrictive licensing practices are leading to wasteful government spending, creating unnecessary cybersecurity vulnerabilities, and hindering technology modernization efforts. Restrictive licensing practices also lead to what's become known as "vendor-lock," in which purchasers of software are effectively prevented from switching between technology service providers as circumstances necessitate.

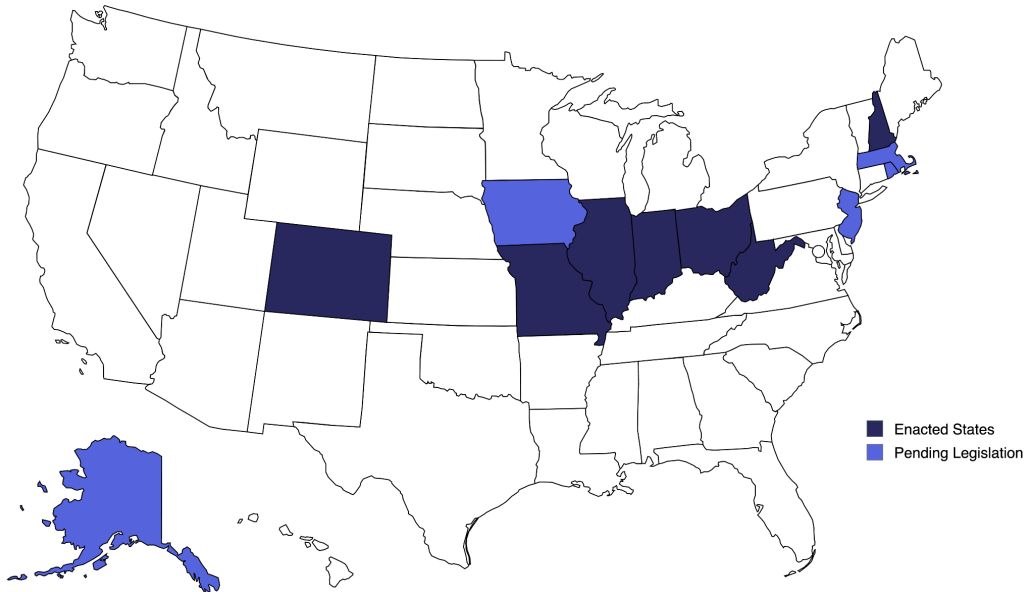
### **What are the benefits of passing FSL?**

FSL is a technology procurement good housekeeping bill:

- It applies only to future public procurement contracts.
- It does not constrain the state in its choice of software OR of cloud providers, instead empowering agencies to select the software vendors and hardware environments that best meet their business needs.
- It incentivizes vendor diversification, which strengthens cybersecurity.
- It does not ask the state to pick winners and losers— rather, it fosters healthy competition in the public cloud, which spurs innovation and lowers cost to taxpayers.
- It prioritizes the needs of the state over the preference of the software vendor.

## What are other jurisdictions doing about restrictive software licensing?

To date, six states – Colorado, Missouri, Illinois, Indiana, Ohio, and New Hampshire – have enacted fair software licensing legislation. Three more – Massachusetts, New Jersey, and Georgia – have active fair software licensing bills pending before their legislatures.



## Is restrictive software licensing just a state issue?

No. This is an issue that has also generated notable attention at the federal level.

- In November of 2024, the [FTC launched](#) a broad investigation into one legacy software provider’s licensing practices in its cloud business.
- In December of 2024, the [House of Representatives passed](#) the bipartisan *SAMOSA Act*, which directs agencies to assess current software inventory and management of contracts and licenses.
- In 2024, the [GAO issued a report](#) recommending federal agencies implement policies to lessen the effect of restrictive software practices, estimating *annual savings of over \$750M*.

[Amdt. 2167](#) of the 2023 National Defense Authorization Act (NDAA) called for an investigation into the impact of restrictive software licensing on the Defense Department.

## Who supports Fair Software Licensing legislation?

FSL is supported by numerous technology industry associations, including:



**Computer & Communications  
Industry Association**  
Open Markets. Open Systems. Open Networks.



**Coalition for  
Fair Software  
Licensing**