LEGISLATIVE GENERAL COUNSEL

 ${\mathbb L}\,$ Approved for Filing: E.D. Chelsea-McCarty ${\mathbb L}\,$

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H.B. 243 2nd Sub. (Gray)

Senator Todd Weiler proposes the following substitute bill:

| 1 | WARNING LABELS AMENDMENTS |
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| 2 | 2020 GENERAL SESSION |
| 3 | STATE OF UTAH |
| 4 | Chief Sponsor: Brady Brammer |
| 5 | Senate Sponsor: Todd Weiler |
| 6 7 | LONG TITLE |
| 8 | General Description: |
| 9 | This bill creates a cause of action that may be brought against a person who distributes |
| 10 | pornography without a visible warning. |
| 11 | Highlighted Provisions: |
| 12 | This bill: |
| 13 | allows the attorney general or a member of the public to bring an action against a |
| 14 | person who distributes pornography without a visible warning or specific searchable |
| 15 | text for a website; |
| 16 | requires an individual person to first notify the attorney general before bringing an |
| 17 | action; |
| 18 | allows for a civil penalty of up to \$2,500 for each violation; |
| 19 | requires that a portion of any recovery be provided to the Crime Victims |
| 20 | Reparations Fund; |
| 21 | provides a process for curing the violation and paying a reduced penalty; and |
| 22 | requires the Judicial Council to adjust the penalty every five years. |
| 23 | Money Appropriated in this Bill: |
| 24 | None |
| 25 | Other Special Clauses: |



| | None |
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| Utal | n Code Sections Affected: |
| AM | ENDS: |
| | 78B-6-2103, as enacted by Laws of Utah 2017, Chapter 464 |
| | 78B-6-2104, as enacted by Laws of Utah 2017, Chapter 464 |
| ENA | ACTS: |
| | 78B-6-2105 , Utah Code Annotated 1953 |
| Be it | enacted by the Legislature of the state of Utah: |
| | Section 1. Section 78B-6-2103 is amended to read: |
| | 78B-6-2103. Liability Safe harbor. |
| | (1) A person who is not exempt under Section 78B-6-2102, and who predominately |
| distr | ibutes or otherwise predominately provides pornographic material to consumers is liable to |
| a per | rson if: |
| | (a) at the time the pornographic material is viewed by the person, the person is a minor; |
| and | |
| | (b) the pornographic material is the proximate cause for the person being harmed |
| phys | ically or psychologically, or by emotional or medical illnesses as a result of that |
| porn | ographic material. |
| | (2) Nothing in this part affects any private right of action existing under other law, |
| inclu | nding contract. |
| | (3) Notwithstanding Subsection (1), a person who distributes or otherwise provides |
| porn | ographic material is not liable under this section if the person who distributes or otherwise |
| prov | ides pornographic material: |
| | (a) provides a warning that: |
| | (i) is conspicuous; |
| | (ii) appears before the pornographic material can be accessed; and |
| | (iii) consists of a good faith effort to warn persons accessing the pornographic material |
| that | the pornographic material may be harmful to minors; and |
| | (b) makes a good faith effort to verify the age of a person accessing the pornographic |
| mate | erial |

| 57 | (4) Subsection (3) may not be interpreted as exempting a person from complying with |
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| 58 | Title 13, Chapter 39, Child Protection Registry. |
| 59 | (5) (a) Notwithstanding Section 78B-6-2105, a person who is not exempt under |
| 60 | Section 78B-6-2102, and who predominately distributes or otherwise predominately provides |
| 61 | obscene material to consumers without a warning label or without the metadata described in |
| 62 | Subsection 78B-6-2105(3)(b) is not liable if the person demonstrates reasonable efforts to |
| 63 | determine the location of recipients of obscene material within the state and the placement of |
| 64 | warning labels on material that enters the state. Reasonable efforts shall result in a compliance |
| 65 | rate that exceeds 75% of the content believed to enter the state within the shorter of six months |
| 66 | prior to any claim, or from May 12, 2020 to the time of the claim. Proof of reasonable efforts |
| 67 | shall remove liability only for the type of compliance for which reasonable efforts have been |
| 68 | proven. |
| 69 | (b) The use of virtual private networks or similar technology by the consumer to hide |
| 70 | the consumer's location may not be included in a compliance rate calculation. |
| 71 | (6) Notwithstanding Section 78B-6-2105, a video game without a warning label is not |
| 72 | liable if it has a rating of the Entertainment Software Rating Board or equivalent, as long as it |
| 73 | also explicitly provides notice of the content as part of the rating. |
| 74 | Section 2. Section 78B-6-2104 is amended to read: |
| 75 | 78B-6-2104. Damages Class action. |
| 76 | (1) If a court finds that a person [violates] is violating Section 78B-6-2103, the court |
| 77 | may award the plaintiff: |
| 78 | (a) actual damages; and |
| 79 | (b) punitive damages, if it is proven that the person targeted minors. |
| 80 | (2) A class action may be brought under this part in accordance with Utah Rules of |
| 81 | Civil Procedure, Rule 23. |
| 82 | Section 3. Section 78B-6-2105 is enacted to read: |
| 83 | 78B-6-2105. Civil action for enforcement Penalties. |
| 84 | (1) A person who predominately distributes or otherwise predominately provides |
| 85 | pornographic material to consumers with the intent to earn revenue or profit directly or |
| 86 | indirectly from the distribution may not distribute any obscene material or performance as |
| 87 | defined in Section 76-10-1203 without first giving a clear and reasonable warning of the |

| 00 | narmful impact of exposing minors to the material of performance. The warming of the narm |
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| 89 | shall be prominently displayed in the following form: |
| 90 | STATE OF UTAH WARNING |
| 91 | Exposing minors to obscene material may damage or negatively impact minors. |
| 92 | (2) (a) For print publications created after May 12, 2020, the warning in Subsection (1) |
| 93 | shall be placed in clear, readable type on the cover of each publication which includes material |
| 94 | as defined in Section 76-10-1201. |
| 95 | (b) For digital publications: |
| 96 | (i) the warning in Subsection (1) shall be displayed in searchable text format and for at |
| 97 | least five seconds prior to the display of any video or each image which includes material as |
| 98 | defined in Section 76-10-1201; or |
| 99 | (ii) if the website complies with Subsection 78B-6-2103(3), it is not required to display |
| 100 | the warning in Subsection (1) prior to each video or image contained on the website. |
| 101 | (3) A person who violates this section shall be liable for a civil penalty not to exceed |
| 102 | \$2,500 per violation, plus filing fees and attorney fees, in addition to any other penalty |
| 103 | established by law, and enjoined from further violations. The civil penalty may be assessed and |
| 104 | recovered in a civil action brought in any court of competent jurisdiction. Each of the following |
| 105 | violations shall create a separate liability per violation: |
| 106 | (a) $\hat{S} \rightarrow [\underline{be}] \leftarrow \hat{S}$ the sale or display of potentially harmful content without the warning |
| 106a | required in |
| 107 | Subsection (1), in accordance with Subsection (2); or |
| 108 | (b) the absence of the following searchable text within the website's metadata - |
| 109 | utahobscenitywarning. |
| 110 | (4) The determination by a court as to whether a person is distributing material the |
| 111 | state considers to be obscene material or performance as defined in Section 78B-6-1203 shall |
| 112 | be proven by clear and convincing evidence. All other elements of proof shall be proven by a |
| 113 | preponderance of the evidence. |
| 114 | (5) The court, in ordering payment, shall specify each amount for the civil penalty, |
| 115 | filing fees, and attorney fees. |
| 116 | (6) In assessing the amount of a civil penalty for a violation of this chapter, the court |
| 117 | shall consider all of the following: |
| 118 | (a) the nature and extent of the violation; |
| | |

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| 119 | (b) the number and severity of the violations; |
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| 120 | (c) the economic effect of the penalty on the violator; |
| 121 | (d) whether the violator took good faith measures to comply with this chapter and |
| 122 | when those measures were taken; |
| 123 | (e) the willfulness of the violator's misconduct; |
| 124 | (f) the deterrent effect that the imposition of the penalty would have on both the |
| 125 | violator and the regulated community as a whole; and |
| 126 | (g) any other factor that the court determines justice requires. |
| 127 | (7) Actions pursuant to this section may be brought by the attorney general's office in |
| 128 | the name of the people of the state or by a private person in accordance with Subsection (8). |
| 129 | (8) A private person may bring an action in the public interest pursuant to this section |
| 130 | <u>if:</u> |
| 131 | (a) the person has served notice of an alleged violation of Section 78B-6-2103 on the |
| 132 | alleged violator and the attorney general's office; |
| 133 | (b) the attorney general's office has not provided a letter to the noticing party within 60 |
| 134 | days of receipt of the notice of an alleged violation indicating that: |
| 135 | (i) an action is currently being pursued or will be pursued by the attorney general's |
| 136 | office regarding the violation; or |
| 137 | (ii) the attorney general believes that there is no merit to the action; and |
| 138 | (c) the alleged violator has not responded to the notice of alleged violation or returned |
| 139 | the proof of compliance form provided in Subsection (14). |
| 140 | (9) If a lawsuit is commenced, the plaintiff may include additional violations in the |
| 141 | claim that are discovered through the discovery process. |
| 142 | (10) Notice of the alleged violation shall be executed by the attorney for the noticing |
| 143 | party, or by the noticing party, if the noticing party is not represented by an attorney, and |
| 144 | include a notice of alleged violation. The notice of alleged violation shall: |
| 145 | (a) state that the person executing the notice believes that there is a violation; and |
| 146 | (b) provide factual information sufficient to establish the basis for the alleged violation |
| 147 | (11) A person who serves a notice of alleged violation identified in Subsection (10) |
| 148 | shall complete and provide to the alleged violator at the time the notice of alleged violation is |
| 149 | served, a notice of special compliance procedure and proof of compliance form pursuant to |

| 150 | Subsection (14). The person may file an action against the alleged violator, or recover from the |
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| 151 | alleged violator if: |
| 152 | (a) the notice of alleged violation alleges that the alleged violator failed to provide a |
| 153 | clear and reasonable warning as required under Subsection (1); and |
| 154 | (b) within 14 days after receipt of the notice of alleged violation, the alleged violator |
| 155 | has not: |
| 156 | (i) corrected the alleged violation and all similar violations known to the alleged |
| 157 | violator; |
| 158 | (ii) agreed to pay a penalty for the alleged violation in the amount of \$500 per |
| 159 | violation; and |
| 160 | (iii) notified, in writing, the noticing party that the violation has been corrected. |
| 161 | (12) The written notice required in Subsection (11)(b)(iii) shall be the notice of special |
| 162 | compliance procedure and proof of compliance form specified in Subsection (14). The alleged |
| 163 | violator shall deliver the civil penalty to the noticing party within 30 days of receipt of the |
| 164 | notice of alleged violation. |
| 165 | (13) The attorney general shall review the notice of alleged violation and may confer |
| 166 | with the noticing party. If the attorney general believes there is no merit to the action, the |
| 167 | attorney general shall, within 45 days of receipt of the notice of alleged violation, provide a |
| 168 | letter to the noticing party and the alleged violator stating that the attorney general believes |
| 169 | there is no merit to the action. |
| 170 | (14) The notice required to be provided to an alleged violator pursuant to Subsection |
| 171 | (11) shall be presented as follows: |
| 172 | Date: |
| 173 | Name of Noticing Party or attorney for Noticing Party: |
| 174 | Address: |
| 175 | Phone number: |
| 176 | SPECIAL COMPLIANCE PROCEDURE |
| 177 | PROOF OF COMPLIANCE |
| 178 | You are receiving this form because the Noticing Party listed above has alleged that you are in |
| 179 | violation of Utah Code Section 78B-6-2103. |
| 180 | The Noticing Party may bring legal proceedings against you for the alleged violation checked |

- 181 below if:
- 182 (1) you have not actually taken the corrective steps that you have certified in this form;
- 183 (2) the Noticing Party has not received this form at the address shown above, accurately
- completed by you, postmarked within 14 days of your receiving this notice; and
- 185 (3) the Noticing Party does not receive the required \$500 penalty payment for each violation
- alleged from you at the address shown above postmarked within 30 days of your receiving this
- notice.
- 188 PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE
- 189 NOTICING PARTY
- 190 This notice of alleged violation is for failure to warn against an exposure to minors of materials
- 191 considered harmful to minors. (provide complete description of violation, including when and
- where observed)
- 193 Date:
- Name of Noticing Party or attorney for Noticing Party:
- 195 Address:
- 196 Phone number:
- 197 PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED
- 198 REPRESENTATIVE
- 199 Certification of Compliance
- Accurate completion of this form will demonstrate that you are now in compliance with Utah
- 201 Code Section 78B-6-2103, for the alleged violation listed above. You must complete and
- submit the form below to the Noticing Party at the address shown above, postmarked within 14
- 203 days of you receiving this notice.
- I hereby agree to pay, within 30 days of receipt of this notice, a penalty of \$500 for each
- violation alleged to the Noticing Party only and certify that I have complied with by (check
- 206 only one of the following):
- 207 [] Posting a warning or warnings, and attaching a copy of that warning and a photograph
- accurately showing its placement on the print or digital publication.
- 209 [] Eliminating the alleged exposure, and attaching a statement accurately describing how the
- alleged exposure has been eliminated.
- 211 CERTIFICATION

| 212 | My statements on this form, and on any attachments to it, are true, complete, and correct to the |
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| 213 | best of my knowledge and belief and are made in good faith. I have carefully read the |
| 214 | instructions to complete this form. I understand that if I make a false statement on this form, I |
| 215 | may be subject to additional penalties under Utah Code Section 76-10-1206. |
| 216 | Signature of alleged violator or authorized representative: |
| 217 | Date: |
| 218 | Name and title of signatory: |
| 219 | (15) An alleged violator may satisfy the conditions set forth in Subsection (14) only |
| 220 | one time for a specific violation. |
| 221 | (16) Notwithstanding Subsection (14), the attorney general may file an action pursuant |
| 222 | to Subsection (7) against an alleged violator. In any action, the amount of any civil penalty for |
| 223 | a violation shall be reduced to reflect any payment made by the alleged violator to a private |
| 224 | person in accordance with Subsection (14) for the same alleged violation. |
| 225 | (17) Payments shall be made in accordance with this section. |
| 226 | (a) A civil penalty ordered by the court shall be paid to the plaintiff as directed by the |
| 227 | court. |
| 228 | (b) A penalty paid in accordance with the special compliance procedure in Subsection |
| 229 | (14) shall be made directly to the noticing party. |
| 230 | (18) The Utah Office for Victims of Crime shall receive 50% of any penalty paid in |
| 231 | accordance with this section. Funds received shall be deposited in the Crime Victim |
| 232 | Reparations Fund created in Section 51-9-404. The penalty amount upon which the 50% is |
| 233 | calculated may not include attorney fees or costs awarded by the court. |
| 234 | (a) If the penalty is paid to a noticing party in accordance with Subsection (14), the |
| 235 | noticing party shall remit the required amount along with a copy of the Special Compliance |
| 236 | Procedure document. |
| 237 | (b) If a civil penalty is ordered by the court, the plaintiff shall remit the required |
| 238 | amount along with a copy of the court order. |
| 239 | (19) The attorney general's office shall provide to the Utah Office for Victims of Crime |
| 240 | a copy of all notices of alleged violations to which the attorney general's office did not respond |
| 241 | with a letter of no merit in accordance with Subsection (13). |
| 242 | (20) The court shall provide to the Utah Office for Victims of Crime a copy of the |

| 243 | court's order for payment. |
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| 244 | (21) The Utah Office for Victims of Crime shall: |
| 245 | (a) maintain a record of documents and payments submitted pursuant to Subsections |
| 246 | (18), (19), and (20); |
| 247 | (b) create and provide to the Legislature in odd-numbered years beginning November |
| 248 | 2021, a report containing the following for the previous two years: |
| 249 | (i) the number of notices of alleged violations received from the attorney general's |
| 250 | office; |
| 251 | (ii) the number of court orders received; and |
| 252 | (iii) the total amount received and deposited into the Crime Victim Reparations Fund. |
| 252a | $\hat{S} \rightarrow (22)$ This section does not apply to: |
| 252b | (a) a person portrayed in obscene or pornographic material that is created, duplicated, |
| 252c | or distributed without the person's knowledge or consent; or |
| 252d | (b) a person who is coerced or blackmailed into distributing obscene or pornographic |
| 252e | <u>material.</u> ←Ŝ |
| 253 | $\hat{S} \rightarrow [\underbrace{(22)}]$ (23) $\leftarrow \hat{S}$ Beginning May 1, 2025, and at each five-year interval, the dollar amount |
| 253a | of the |
| 254 | civil penalty provided in Subsection (3) shall be adjusted by the Judicial Council based on the |
| 255 | change in the annual Consumer Price Index for the most recent five-year period ending on |
| 256 | December 31 of the previous year, and rounded to the nearest five dollars. The attorney general |
| 257 | shall publish the dollar amount of the civil penalty together with the date of the next scheduled |
| 258 | adjustment. |