| 1      | WARNING LABELS AMENDMENTS   |
|--------|---|
| 2      | 2020 GENERAL SESSION  |
| 3      | STATE OF UTAH   |
| 4      | Chief Sponsor: Brady Brammer  |
| 5      | Senate Sponsor:   |
| 6<br>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     | <ul> <li>allows the attorney general or a member of the public to bring an action against a</li> </ul>    |
| 14     | person who distributes pornography without a visible warning;   |
| 15     | <ul> <li>requires an individual person to first notify the attorney general before bringing an</li> </ul> |
| 16     | action;   |
| 17     | <ul> <li>allows for a civil penalty of up to \$2,500 for each violation;</li> </ul>                       |
| 18     | <ul> <li>requires that a portion of any recovery be provided to the Crime Victims</li> </ul>              |
| 19     | Reparations Fund;   |
| 20     | <ul> <li>provides a process for curing the violation and paying a reduced penalty; and</li> </ul>         |
| 21     | <ul> <li>requires the Judicial Council to adjust the penalty every five years.</li> </ul>                 |
| 22     | Money Appropriated in this Bill:  |
| 23     | None  |
| 24     | Other Special Clauses:  |
| 25     | None  |
| 26     | <b>Utah Code Sections Affected:</b>   |
| 27     | AMENDS:   |



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|   | 78B-6-2104, as enacted by Laws of Utah 2017, Chapter 464                                      |
|---|---|
|   | ENACTS:   |
|   | <b>78B-6-2105</b> , Utah Code Annotated 1953  |
|   |   |
|   | Be it enacted by the Legislature of the state of Utah:  |
|   | Section 1. Section <b>78B-6-2104</b> is amended to read:                                      |
|   | 78B-6-2104. Damages Class action.   |
|   | (1) If a court finds that a person [violates] is violating Section 78B-6-2103, the court      |
|   | may award the plaintiff:  |
|   | (a) actual damages; and   |
|   | (b) punitive damages, if it is proven that the person targeted minors.                        |
|   | (2) A class action may be brought under this part in accordance with Utah Rules of            |
|   | Civil Procedure, Rule 23.   |
|   | Section 2. Section <b>78B-6-2105</b> is enacted to read:                                      |
|   | 78B-6-2105. Civil action for enforcement Penalties.   |
|   | (1) A person may not distribute material the state considers harmful to minors as             |
| ( | defined in Section 76-10-1201 without first giving a clear and reasonable warning of the      |
| ŀ | harmful impact of exposing minors to the material. The warning of the harm shall be           |
| 1 | prominently displayed in the following form:  |
|   | STATE OF UTAH WARNING   |
|   | Exposing minors to pornography is known to the state of Utah to cause negative impacts to     |
|   | brain development, emotional development, and the ability to maintain intimate relationships. |
|   | Such exposure may lead to harmful and addictive sexual behavior, low self-esteem, and the     |
|   | improper objectification of and sexual violence towards others, among numerous other harms.   |
|   | (2) (a) For print publications, the warning in Subsection (1) shall be placed in clear,       |
| r | readable type on the cover of each publication which includes material as defined in Section  |
| Š | <u>76-10-1201.</u>  |
|   | (b) For digital publications, the warning in Subsection (1) shall be displayed for at least   |
|   | 15 seconds prior to the display of any video or each image which includes material as defined |
|   | <u>in Section 76-10-1201.</u>   |
|   | (3) A person who violates Section 78B-6-2103 shall be liable for a civil penalty not to       |

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| 59 | exceed \$2,500 per violation, plus filing fees and attorney fees, in addition to any other penalty |
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| 60 | established by law, and enjoined from further violations. The civil penalty may be assessed and    |
| 61 | recovered in a civil action brought in any court of competent jurisdiction. Each violation shall   |
| 62 | be the sale or display of potentially harmful content without the warning required in Subsection   |
| 63 | (1), in accordance with Subsection (2). The court, in ordering payment, shall specify each         |
| 64 | amount for the civil penalty, filing fees, and attorney fees.                                      |
| 65 | (4) In assessing the amount of a civil penalty for a violation of this chapter, the court          |
| 66 | shall consider all of the following:   |
| 67 | (a) the nature and extent of the violation;  |
| 68 | (b) the number and severity of the violations;   |
| 69 | (c) the economic effect of the penalty on the violator;  |
| 70 | (d) whether the violator took good faith measures to comply with this chapter and                  |
| 71 | when those measures were taken;  |
| 72 | (e) the willfulness of the violator's misconduct;  |
| 73 | (f) the deterrent effect that the imposition of the penalty would have on both the                 |
| 74 | violator and the regulated community as a whole; and   |
| 75 | (g) any other factor that the court determines justice requires.                                   |
| 76 | (5) Actions pursuant to this section may be brought by the attorney general's office in            |
| 77 | the name of the people of the state or by a private person in accordance with Subsection (6).      |
| 78 | (6) A private person may bring an action in the public interest pursuant to this section           |
| 79 | <u>if:</u>   |
| 80 | (a) the person has served notice of an alleged violation of Section 78B-6-2103 on the              |
| 81 | alleged violator and the attorney general's office;  |
| 82 | (b) the attorney general's office has not provided a letter to the noticing party within 60        |
| 83 | days of receipt of the notice of an alleged violation indicating that:                             |
| 84 | (i) an action is currently being pursued or will be pursued by the attorney general's              |
| 85 | office regarding the violation; or   |
| 86 | (ii) the attorney general believes that there is no merit to the action; and                       |
| 87 | (c) the alleged violator has not responded to the notice of alleged violation or returned          |
| 88 | the proof of compliance form provided in Subsection (12).  |
| 89 | (7) If a lawsuit is commenced, the plaintiff may include additional violations in the              |

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| 90  | claim that are discovered through the discovery process.   |
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| 91  | (8) Notice of the alleged violation shall be executed by the attorney for the noticing           |
| 92  | party, or by the noticing party, if the noticing party is not represented by an attorney, and    |
| 93  | include a notice of alleged violation. The notice of alleged violation shall:                    |
| 94  | (a) state that the person executing the notice believes that there is a violation; and           |
| 95  | (b) provide factual information sufficient to establish the basis for the alleged violation.     |
| 96  | (9) A person who serves a notice of alleged violation identified in Subsection (8) shall         |
| 97  | complete and provide to the alleged violator at the time the notice of alleged violation is      |
| 98  | served, a notice of special compliance procedure and proof of compliance form pursuant to        |
| 99  | Subsection (12). The person may file an action against the alleged violator, or recover from the |
| 100 | alleged violator if:   |
| 101 | (a) the notice of alleged violation alleges that the alleged violator failed to provide a        |
| 102 | clear and reasonable warning as required under Subsection (1); and                               |
| 103 | (b) within 14 days after receipt of the notice of alleged violation, the alleged violator        |
| 104 | has not:   |
| 105 | (i) corrected the alleged violation and all similar violations known to the alleged              |
| 106 | violator;  |
| 107 | (ii) agreed to pay a penalty for the alleged violation in the amount of \$500 per                |
| 108 | violation; and   |
| 109 | (iii) notified, in writing, the noticing party that the violation has been corrected.            |
| 110 | (10) The written notice required in Subsection (9)(b)(iii) shall be the notice of special        |
| 111 | compliance procedure and proof of compliance form specified in Subsection (12). The alleged      |
| 112 | violator shall deliver the civil penalty to the noticing party within 30 days of receipt of the  |
| 113 | notice of alleged violation.   |
| 114 | (11) The attorney general shall review the notice of alleged violation and may confer            |
| 115 | with the noticing party. If the attorney general believes there is no merit to the action, the   |
| 116 | attorney general shall, within 45 days of receipt of the notice of alleged violation, provide a  |
| 117 | letter to the noticing party and the alleged violator stating that the attorney general believes |
| 118 | there is no merit to the action.   |
| 119 | (12) The notice required to be provided to an alleged violator pursuant to Subsection            |
| 120 | (9) shall be presented as follows:   |

- 121 Date:
- Name of Noticing Party or attorney for Noticing Party:
- 123 Address:
- 124 Phone number:
- 125 SPECIAL COMPLIANCE PROCEDURE
- 126 PROOF OF COMPLIANCE
- You are receiving this form because the Noticing Party listed above has alleged that you are in
- violation of Utah Code Section 78B-6-2103.
- The Noticing Party may bring legal proceedings against you for the alleged violation checked
- 130 below if:
- (1) you have not actually taken the corrective steps that you have certified in this form;
- 132 (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
- 134 (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
- 136 notice.
- 137 PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE
- 138 NOTICING PARTY
- 139 This notice of alleged violation is for failure to warn against an exposure to minors of materials
- 140 considered harmful to minors. (provide complete description of violation, including when and
- where observed)
- 142 Date:
- Name of Noticing Party or attorney for Noticing Party:
- 144 Address:
- 145 Phone number:
- 146 PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED
- 147 REPRESENTATIVE
- 148 Certification of Compliance
- 149 Accurate completion of this form will demonstrate that you are now in compliance with Utah
- 150 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

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| 152 | days of you receiving this notice.  |
|-----|---|
| 153 | I hereby agree to pay, within 30 days of receipt of this notice, a penalty of \$500 for each      |
| 154 | violation alleged to the Noticing Party only and certify that I have complied with by (check      |
| 155 | only one of the following):   |
| 156 | [ ] Posting a warning or warnings, and attaching a copy of that warning and a photograph          |
| 157 | accurately showing its placement on the print or digital publication.                             |
| 158 | [ ] Eliminating the alleged exposure, and attaching a statement accurately describing how the     |
| 159 | alleged exposure has been eliminated.   |
| 160 | CERTIFICATION   |
| 161 | My statements on this form, and on any attachments to it, are true, complete, and correct to the  |
| 162 | best of my knowledge and belief and are made in good faith. I have carefully read the             |
| 163 | instructions to complete this form. I understand that if I make a false statement on this form, I |
| 164 | may be subject to additional penalties under Utah Code Section 76-10-1206.                        |
| 165 | Signature of alleged violator or authorized representative:                                       |
| 166 | Date:   |
| 167 | Name and title of signatory:  |
| 168 | (13) An alleged violator may satisfy the conditions set forth in Subsection (12) only             |
| 169 | one time for a specific violation.  |
| 170 | (14) Notwithstanding Subsection (12), the attorney general may file an action pursuant            |
| 171 | to Subsection (5) against an alleged violator. In any action, the amount of any civil penalty for |
| 172 | a violation shall be reduced to reflect any payment made by the alleged violator to a private     |
| 173 | person in accordance with Subsection (12) for the same alleged violation.                         |
| 174 | (15) Payments shall be made in accordance with this section.                                      |
| 175 | (a) A civil penalty ordered by the court shall be paid to the plaintiff as directed by the        |
| 176 | court.  |
| 177 | (b) A penalty paid in accordance with the special compliance procedure in Subsection              |
| 178 | (12) shall be made directly to the noticing party.  |
| 179 | (16) The Utah Office for Victims of Crime shall receive 50% of any penalty paid in                |
| 180 | accordance with this section. Funds received shall be deposited in the Crime Victim               |
| 181 | Reparations Fund created in Section 51-9-404. The penalty amount upon which the 50% is            |
| 182 | calculated may not include attorney fees or costs awarded by the court                            |

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| 183 | (a) If the penalty is paid to a noticing party in accordance with Subsection (12), the             |
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| 184 | noticing party shall remit the required amount along with a copy of the Special Compliance         |
| 185 | Procedure document.  |
| 186 | (b) If a civil penalty is ordered by the court, the plaintiff shall remit the required             |
| 187 | amount along with a copy of the court order.   |
| 188 | (17) The attorney general's office shall provide to the Utah Office for Victims of Crime           |
| 189 | a copy of all notices of alleged violations to which the attorney general's office did not respond |
| 190 | with a letter of no merit in accordance with Subsection (11).                                      |
| 191 | (18) The court shall provide to the Utah Office for Victims of Crime a copy of the                 |
| 192 | court's order for payment.   |
| 193 | (19) The Utah Office for Victims of Crime shall:   |
| 194 | (a) maintain a record of documents and payments submitted pursuant to Subsections                  |
| 195 | (16), (17), and (18);  |
| 196 | (b) create and provide to the Legislature in odd-numbered years beginning November                 |
| 197 | 2021, a report containing the following for the previous two years:                                |
| 198 | (i) the number of notices of alleged violations received from the attorney general's               |
| 199 | office;  |
| 200 | (ii) the number of court orders received; and  |
| 201 | (iii) the total amount received and deposited into the Crime Victim Reparations Fund.              |
| 202 | (20) Beginning May 1, 2025, and at each five-year interval, the dollar amount of the               |
| 203 | civil penalty provided in Subsection (3) shall be adjusted by the Judicial Council based on the    |
| 204 | change in the annual Consumer Price Index for the most recent five-year period ending on           |
| 205 | December 31 of the previous year, and rounded to the nearest five dollars. The attorney general    |
| 206 | shall publish the dollar amount of the civil penalty together with the date of the next scheduled  |
| 207 | adjustment.  |