

**Online Age Verification Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Calvin R. Musselman**

House Sponsor: Steve Eliason

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**LONG TITLE****General Description:**

This bill imposes a tax on certain sales and content, and enacts provisions relating to publishers and distributors of material harmful to minors.

**Highlighted Provisions:**

This bill:

- defines terms;
- imposes a tax on gross receipts from sales, distributions, memberships, subscriptions, performances, and content amounting to material harmful to minors that is produced, sold, filmed, generated, or otherwise based in this state;
- provides for administration and collection of the tax by the State Tax Commission;
- creates the Teen Mental Health Restricted Account within the General Fund;
- directs tax revenues to the Department of Health and Human Services for mental health prevention, treatment, and recovery services for teens;
- requires commercial entities that publish or distribute material harmful to minors to provide notification to the Division of Consumer Protection (division);
- establishes an annual notification fee to fund monitoring and auditing of age verification compliance by the division;
- authorizes the division to monitor, audit, and investigate compliance with age verification requirements;
- provides administrative penalties for failure to provide notification;
- provides rulemaking authority; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**59-35-101**, Utah Code Annotated 1953

**59-35-102**, Utah Code Annotated 1953

**59-35-103**, Utah Code Annotated 1953

**59-35-104**, Utah Code Annotated 1953

**78B-3-1004**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-35-101** is enacted to read:

## **CHAPTER 35. Material Harmful to Minors Tax**

### **Part 1. General Provisions**

#### **59-35-101 . Definitions.**

As used in this chapter:

- (1) "Gross receipts" means the total amount of consideration received for a transaction described in Section 59-35-102, without deduction for the cost of materials, labor, service, or other expenses.
- (2) "Material harmful to minors" means the same as that term is defined in Section 78B-3-1001.
- (3) "Minor" means an individual younger than 18 years old.
- (4) "Teen" means an individual who is at least 12 years old but younger than 18 years old.

Section 2. Section **59-35-102** is enacted to read:

#### **59-35-102 . Tax levy -- Rate -- Scope.**

- (1) In addition to all other taxes, a tax is levied at the rate of 7% upon the gross receipts of all sales, distributions, memberships, subscriptions, performances, and content amounting to material harmful to minors that is:
  - (a) produced in this state;
  - (b) sold in this state;
  - (c) filmed in this state;
  - (d) generated in this state; or
  - (e) otherwise based in this state.
- (2) The person receiving the gross receipts described in Subsection (1) shall collect and remit the tax imposed by this section.

Section 3. Section **59-35-103** is enacted to read:

**59-35-103 . Administration -- Collection -- Reporting.**

- (1) The commission shall collect the tax levied under Section 59-35-102 in accordance with:
- (a) this chapter; and
- (b) in accordance with rules made by the commission.
- (2) On or before the date a tax payment is due under this chapter, a person subject to the tax shall file with the commission a report in a form prescribed by the commission that includes:
- (a) a statement of the gross proceeds of all sales and gross receipts of all business transactions that are subject to the tax levied under this chapter; and
- (b) other information the commission requires.
- (3) A person subject to the tax levied under this chapter:
- (a) may defer reporting credit sales until after collection of the credit sales; and
- (b) if the person defers reporting sales under Subsection (3)(a), shall include in each report all credit collections made during the period covered by the report.
- (4) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules:
- (a) establishing procedures for the collection and remittance of the tax;
- (b) establishing reporting requirements; and
- (c) providing for the administration of this chapter.

Section 4. Section **59-35-104** is enacted to read:

**59-35-104 . Teen Mental Health Restricted Account -- Creation -- Deposits into account -- Distribution.**

- (1) There is created within the General Fund a restricted account known as the "Teen Mental Health Restricted Account."
- (2) The account consists of:
- (a) revenue collected from the tax imposed by Section 59-35-102;
- (b) appropriations made to the account by the Legislature;
- (c) interest and earnings on account money; and
- (d) donations or grants from public or private entities.
- (3) Subject to appropriation by the Legislature, the Division of Finance shall deposit revenue described in Subsection (2)(a) into the account.
- (4) Upon appropriation by the Legislature, money in the account shall be distributed to the Department of Health and Human Services for:
- (a) mental health prevention services for teens;

(b) mental health treatment services for teens; and

(c) mental health recovery services and support for teens.

(5) The Department of Health and Human Services shall use money distributed under Subsection (4) for programs that provide services described in Subsection (4) to teens.

Section 5. Section **78B-3-1004** is enacted to read:

**78B-3-1004 . Notification requirement -- Fee -- Division of Consumer Protection administration -- Monitoring and auditing.**

(1) A commercial entity that publishes or distributes material harmful to minors on the internet from a website that contains a substantial portion of such material shall provide notification to the Division of Consumer Protection.

(2)(a) The Division of Consumer Protection shall charge an annual notification fee of \$500 for each commercial entity that provides notification under this section.

(b) The division shall use the fee collected under Subsection (2)(a) to monitor and audit compliance with the age verification requirements established in Section 78B-3-1002.

(c) The division shall deposit the fee collected under Subsection (2)(a) into the Commerce Service Fund created in Section 13-1-2.

(3) A notification provided under this section shall:

(a) expire annually; and

(b) be renewed upon payment of the annual notification fee described in Subsection (2).

(4) As part of the notification process, a commercial entity shall certify that the entity:

(a) complies with the age verification requirements described in Section 78B-3-1002; and

(b) has implemented reasonable age verification methods as defined in Section 78B-3-1001.

(5) The Division of Consumer Protection shall use the fees collected under Subsection (2) to:

(a) monitor commercial entities for compliance with age verification requirements established in Section 78B-3-1002;

(b) conduct audits of commercial entities to verify compliance with age verification requirements;

(c) investigate complaints regarding non-compliance with age verification requirements; and

(d) administer the notification process established in this section.

(6) The Division of Consumer Protection may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules:

- 132        (a) establishing notification procedures and requirements;  
133        (b) establishing standards for monitoring and auditing compliance with age verification  
134           requirements;  
135        (c) establishing procedures for investigating complaints; and  
136        (d) providing for enforcement of this section.  
137        (7)(a) A commercial entity that fails to provide notification as required by this section is  
138           subject to an administrative penalty of \$1,000 for each day the entity operates  
139           without providing notification.  
140        (b) The Division of Consumer Protection shall collect penalties under Subsection (7)(a)  
141           in accordance with Title 63G, Chapter 4, Administrative Procedures Act.  
142        (c) Penalties collected under this Subsection (7) shall be deposited into the Commerce  
143           Service Fund created in Section 13-1-2.  
144        (8) Providing notification under this section does not relieve a commercial entity from  
145           liability under Section 78B-3-1002.  
146        Section 6. **Effective Date.**  
147        This bill takes effect on May 6, 2026.