2023 GENERAL SESSION

3 STATE OF UTAH

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LONG TITLE 21

General Description:

This bill regulates social media companies and the use and design of social media

24 platforms.

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25	Highlighted Provisions:
26	This bill:
27	defines terms;
28	enacts the Utah Social Media Regulation Act;
29	 prohibits a social media company from using a design or feature that causes a minor
30	to have an addiction to the company's social media platform;
31	 grants the Division of Consumer Protection enforcement and auditing authority to
32	enforce requirements under the act;
33	 authorizes a private right of action to collect attorney fees and damages from a
34	social media company for harm incurred by a minor's use of the company's social
35	media platform;
36	 creates a rebuttable presumption that harm and causation occurred in some
37	circumstances;
38	prohibits certain waivers;
39	provides a severability clause; and
40	makes technical and conforming changes.
41	Money Appropriated in this Bill:
42	None
43	Other Special Clauses:
44	This bill provides a special effective date.
45	Utah Code Sections Affected:
46	AMENDS:
47	13-2-1 (Superseded 12/31/23), as last amended by Laws of Utah 2022, Chapter 201
48	13-2-1 (Effective 12/31/23), as last amended by Laws of Utah 2022, Chapters 201, 462
49	ENACTS:
50	13-63-101, Utah Code Annotated 1953
51	13-63-201, Utah Code Annotated 1953
52	13-63-301, Utah Code Annotated 1953
53	13-63-401, Utah Code Annotated 1953
54	13-63-501, Utah Code Annotated 1953

56	Be it enacted by the Legislature of the state of Utah:
57	Section 1. Section 13-2-1 (Superseded 12/31/23) is amended to read:
58	TITLE 13. COMMERCE AND TRADE
59	13-2-1 (Superseded 12/31/23). Consumer protection division established
60	Functions.
61	(1) There is established within the Department of Commerce the Division of Consumer
62	Protection.
63	(2) The division shall administer and enforce the following:
64	(a) Chapter 5, Unfair Practices Act;
65	(b) Chapter 10a, Music Licensing Practices Act;
66	(c) Chapter 11, Utah Consumer Sales Practices Act;
67	(d) Chapter 15, Business Opportunity Disclosure Act;
68	(e) Chapter 20, New Motor Vehicle Warranties Act;
69	(f) Chapter 21, Credit Services Organizations Act;
70	(g) Chapter 22, Charitable Solicitations Act;
71	(h) Chapter 23, Health Spa Services Protection Act;
72	(i) Chapter 25a, Telephone and Facsimile Solicitation Act;
73	(j) Chapter 26, Telephone Fraud Prevention Act;
74	(k) Chapter 28, Prize Notices Regulation Act;
75	(1) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
76	Transaction Information Act;
77	(m) Chapter 34, Utah Postsecondary Proprietary School Act;
78	(n) Chapter 34a, Utah Postsecondary School State Authorization Act;
79	(o) Chapter 41, Price Controls During Emergencies Act;
80	(p) Chapter 42, Uniform Debt-Management Services Act;
81	(q) Chapter 49, Immigration Consultants Registration Act;
82	(r) Chapter 51, Transportation Network Company Registration Act;
83	(s) Chapter 52, Residential Solar Energy Disclosure Act;
84	(t) Chapter 53, Residential, Vocational and Life Skills Program Act;
85	(u) Chapter 54, Ticket Website Sales Act;
86	(v) Chapter 56, Ticket Transferability Act; [and]

87	(w) Chapter 57, Maintenance Funding Practices Act[:]; and
88	(x) Chapter 63, Utah Social Media Regulation Act.
89	Section 2. Section 13-2-1 (Effective 12/31/23) is amended to read:
90	13-2-1 (Effective 12/31/23). Consumer protection division established
91	Functions.
92	(1) There is established within the Department of Commerce the Division of Consumer
93	Protection.
94	(2) The division shall administer and enforce the following:
95	(a) Chapter 5, Unfair Practices Act;
96	(b) Chapter 10a, Music Licensing Practices Act;
97	(c) Chapter 11, Utah Consumer Sales Practices Act;
98	(d) Chapter 15, Business Opportunity Disclosure Act;
99	(e) Chapter 20, New Motor Vehicle Warranties Act;
100	(f) Chapter 21, Credit Services Organizations Act;
101	(g) Chapter 22, Charitable Solicitations Act;
102	(h) Chapter 23, Health Spa Services Protection Act;
103	(i) Chapter 25a, Telephone and Facsimile Solicitation Act;
104	(j) Chapter 26, Telephone Fraud Prevention Act;
105	(k) Chapter 28, Prize Notices Regulation Act;
106	(1) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
107	Transaction Information Act;
108	(m) Chapter 34, Utah Postsecondary Proprietary School Act;
109	(n) Chapter 34a, Utah Postsecondary School State Authorization Act;
110	(o) Chapter 41, Price Controls During Emergencies Act;
111	(p) Chapter 42, Uniform Debt-Management Services Act;
112	(q) Chapter 49, Immigration Consultants Registration Act;
113	(r) Chapter 51, Transportation Network Company Registration Act;
114	(s) Chapter 52, Residential Solar Energy Disclosure Act;
115	(t) Chapter 53, Residential, Vocational and Life Skills Program Act;
116	(u) Chapter 54, Ticket Website Sales Act;
117	(v) Chapter 56, Ticket Transferability Act;

118	(w) Chapter 57, Maintenance Funding Practices Act; [and]
119	(x) Chapter 61, Utah Consumer Privacy Act[-]; and
120	(y) Chapter 63, Utah Social Media Regulation Act.
121	Section 3. Section 13-63-101 is enacted to read:
122	CHAPTER 63. UTAH SOCIAL MEDIA REGULATION ACT
123	Part 1. General Requirements
124	<u>13-63-101.</u> Definitions.
125	As used in this chapter:
126	(1) "Account holder" means a person who has, or opens, an account or profile to use a
127	social media company's platform.
128	(2) "Addiction" means use of a social media platform that:
129	(a) indicates the user's substantial preoccupation or obsession with, or the user's
130	substantial difficulty to cease or reduce use of, the social media platform; and
131	(b) causes physical, mental, emotional, developmental, or material harms to the user.
132	(3) "Director" means the director of the Division of Consumer Protection created in
133	<u>Section 13-2-1.</u>
134	(4) "Division" means the Division of Consumer Protection created in Section 13-2-1.
135	(5) "Educational entity" means a public school, an LEA, a charter school, the Utah
136	Schools for the Deaf and Blind, a private school, a denominational school, a parochial school, a
137	community college, a state college, a state university, or a nonprofit private postsecondary
138	educational institution.
139	(6) (a) "Interactive computer service" means an information service, information
140	system, or information access software provider that:
141	(i) provides or enables computer access by multiple users to a computer server; and
142	(ii) provides access to the Internet.
143	(b) "Interactive computer service" includes:
144	(i) a web service;
145	(ii) a web system;
146	(iii) a website;
147	(iv) a web application; or
148	(v) a web portal.

149	(7) "Minor" means an individual who is under the age of 18 and:
150	(a) has not been emancipated as that term is defined in Section 80-7-102; or
151	(b) has not been married.
152	(8) "Post" means content that an account holder makes available on a social media
153	platform for other account holders or users to view.
154	(9) "Social media company" means a person or entity that:
155	(a) provides a social media platform that has at least 5,000,000 account holders
156	worldwide; and
157	(b) is an interactive computer service.
158	(10) (a) "Social media platform" means an online forum that a social media company
159	makes available for an account holder to:
160	(i) create a profile;
161	(ii) upload posts;
162	(iii) view the posts of other account holders; and
163	(iv) interact with other account holders or users.
164	(b) "Social media platform" does not include an online service, website, or application:
165	(i) where the predominant or exclusive function is:
166	(A) electronic mail;
167	(B) direct messaging consisting of text, photos, or videos that are sent between devices
168	by electronic means, where messages are:
169	(I) shared between the sender and the recipient;
170	(II) only visible to the sender and the recipient; and
171	(III) are not posted publicly;
172	(C) a streaming service that:
173	(I) provides only licensed media in a continuous flow from the service, website, or
174	application to the end user; and
175	(II) does not obtain a license to the media from a user or account holder by agreement
176	to its terms of service;
177	(D) news, sports, entertainment, or other content that is preselected by the provider and
178	not user generated, and any chat, comment, or interactive functionality that is provided
179	incidental to, directly related to, or dependent upon provision of the content;

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180	(E) online shopping or e-commerce, if the interaction with other users or account
181	holders is generally limited to:
182	(I) the ability to upload a post and comment on reviews;
183	(II) the ability to display lists or collections of goods for sale or wish lists; and
184	(III) other functions that are focused on online shopping or e-commerce rather than
185	interaction between users or account holders;
186	(F) interactive gaming, virtual gaming, or an online service, that allows the creation
187	and uploading of content for the purpose of interactive gaming, edutainment, or associated
188	entertainment, and the communication related to that content;
189	(G) photo editing that has an associated photo hosting service, if the interaction with
190	other users or account holders is generally limited to liking or commenting;
191	(H) a professional creative network for showcasing and discovering artistic content, if
192	the content is required to be non-pornographic;
193	(I) single-purpose community groups for public safety if:
194	(I) the interaction with other users or account holders is generally limited to that single
195	purpose; and
196	(II) the community group has guidelines or policies against illegal content;
197	(J) providing career development opportunities, including professional networking, job
198	skills, learning certifications, and job posting and application services;
199	(K) business to business software;
200	(L) a teleconferencing or videoconferencing service that allows reception and
201	transmission of audio and video signals for real time communication;
202	(M) cloud storage;
203	(N) shared document collaboration;
204	(O) cloud computing services, which may include cloud storage and shared document
205	collaboration;
206	(P) providing access to or interacting with data visualization platforms, libraries, or
207	hubs;
208	(Q) to permit comments on a digital news website, if the news content is posted only
209	by the provider of the digital news website;
210	(R) providing or obtaining technical support for a platform, product, or service;

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211	(S) academic or scholarly research; or
212	(T) genealogical research; or
213	(ii) where:
214	(A) the majority of the content that is posted or created is posted or created by the
215	provider of the online service, website, or application; and
216	(B) the ability to chat, comment, or interact with other users is directly related to the
217	provider's content;
218	(iii) that is a classified ad service that only permits the sale of goods and prohibits the
219	solicitation of personal services; or
220	(iv) that is used by and under the direction of an educational entity, including:
221	(A) a learning management system;
222	(B) a student engagement program; and
223	(C) a subject or skill-specific program.
224	(11) "User" means a person who has access to view all, or some of, the posts on a
225	social media platform, but is not an account holder.
226	(12) (a) "Utah account holder" means a person who is a Utah resident and an account
227	holder.
228	(b) "Utah account holder" includes a Utah minor account holder.
229	(13) "Utah minor account holder" means a Utah account holder who is a minor.
230	(14) "Utah resident" means an individual who currently resides in Utah.
231	Section 4. Section 13-63-201 is enacted to read:
232	Part 2. Social Media Design Regulations
233	13-63-201. Social media platform design regulations Enforcement and auditing
234	authority Penalties.
235	(1) (a) The division shall administer and enforce the provisions of this section.
236	(b) The division may audit the records of a social media company in order to determine
237	compliance with the requirements of this section or to investigate a complaint, including a
238	random sample of a social media company's records and other audit methods.
239	(2) A social media company shall not use a practice, design, or feature on the
240	company's social media platform that the social media company knows, or which by the
241	exercise of reasonable care should know, causes a Utah minor account holder to have an

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243	(3) Beginning March 1, 2024:
244	(a) Subject to Subsection (3)(b), a social media company is subject to:
245	(i) a civil penalty of \$250,000 for each practice, design, or feature shown to have
246	caused addiction; and
247	(ii) a civil penalty of up to \$2,500 for each Utah minor account holder who is shown to
248	have been exposed to the practice, design, or feature found to have caused addiction under
249	Subsection (3)(a)(i).
250	(b) A social media company shall not be subject to a civil penalty for violating this
251	section if the social media company, as an affirmative defense, demonstrates that the social
252	media company:
253	(i) instituted and maintained a program of at least quarterly audits of the social media
254	company's practices, designs, and features to detect practices, designs, or features that have the
255	potential to cause or contribute to the addiction of a minor user; and
256	(ii) corrected, within 30 days of the completion of an audit described in Subsection
257	(3)(b)(i), any practice, design, or feature discovered by the audit to present more than a de
258	minimus risk of violating this section.
259	(c) In a court action by the division to enforce this section, the court may, in addition to
260	a civil penalty:
261	(i) declare that the act or practice violates a provision of this section;
262	(ii) issue an injunction for a violation of this section;
263	(iii) award actual damages to an injured purchaser or consumer; and
264	(iv) award any other relief that the court deems reasonable and necessary.
265	(4) Nothing in this section may be construed to impose liability for a social media
266	company for any of the following:
267	(a) content that is generated by an account holder, or uploaded to or shared on the
268	platform by an account holder, that may be encountered by another account holder;
269	(b) passively displaying content that is created entirely by a third party;
270	(c) information or content for which the social media company was not, in whole or in
271	part, responsible for creating or developing; or
272	(d) any conduct by a social media company involving a Utah minor account holder

273	who would otherwise be protected by federal or Utah law.
274	(5) If a court of competent jurisdiction grants judgment or injunctive relief to the
275	division, the court shall award the division:
276	(a) reasonable attorney fees;
277	(b) court costs; and
278	(c) investigative fees.
279	(6) Nothing in this section may be construed to negate or limit a cause of action that
280	may have existed or exists against a social media company under the law as it existed before
281	the effective date of this section.
282	(7) All money received for the payment of a fine or civil penalty imposed under this
283	section shall be deposited into the Consumer Protection Education and Training Fund
284	established in Section 13-2-8.
285	Section 5. Section 13-63-301 is enacted to read:
286	Part 3. Harm to a Minor by a Social Media Company Private Right of Action
287	13-63-301. Private right of action for harm to a minor Rebuttable presumption
288	of harm and causation.
289	(1) Beginning March 1, 2024, a person may bring an action under this section against a
290	social media company to recover damages incurred after March 1, 2024 by a Utah minor
291	account holder for any addiction, financial, physical, or emotional harm suffered as a
292	consequence of using or having an account on the social media company's social media
293	platform.
294	(2) A suit filed under the authority of this section shall be filed in the district court for
295	the district in which the Utah minor account holder resides.
296	(3) Notwithstanding Subsection (4), if a court finds that a Utah minor account holder
297	has been harmed as a consequence of using or having an account on the social media
298	company's social media platform, the minor seeking relief under this section is entitled to:
299	(a) an award of reasonable attorney fees and court costs; and
300	(b) an amount equal to the greater of:
301	(i) \$2,500 per each incident of harm; or
302	(ii) actual damages for addiction, financial, physical, and emotional harm incurred by
303	the person bringing the action if the court determines that the harm is a direct consequence of

304	the violation or violations.
305	(4) If a Utah minor account holder seeking recovery of damages under this section is
306	under the age of 16, there shall be a rebuttable presumption that the harm actually occurred and
307	that the harm was a caused as a consequence of using or having an account on the social media
308	company's social media platform.
309	Section 6. Section 13-63-401 is enacted to read:
310	Part 4. Waiver Prohibited
311	13-63-401. Waiver prohibited.
312	A waiver or limitation, or a purported waiver or limitation, of any of the following is
313	void as unlawful, is against public policy, and a court or arbitrator may not enforce or give
314	effect to the waiver, notwithstanding any contract or choice-of-law provision in a contract:
315	(1) a protection or requirement provided under this chapter;
316	(2) the right to cooperate with the division or to file a complaint with the division; or
317	(3) the right to a private right of action as provided under this chapter.
318	Section 7. Section 13-63-501 is enacted to read:
319	Part 5. Severability
320	<u>13-63-501.</u> Severability.
321	If any provision of this chapter or the application of any provision to any person or
322	circumstance is held invalid by a final decision of a court of competent jurisdiction, the
323	remainder of this chapter shall be given effect without the invalid provision or application. The
324	provisions of this chapter are severable.
325	Section 8. Effective date.
326	(1) Except as provided in Subsection (2), this bill takes effect on May 3, 2023.
327	(2) The actions affecting Section 13-2-1 (Effective 12/31/2023) take effect on
328	December 31, 2023.