## HB2931 FULLPCS2 Randy Randleman-GRS 2/17/2022 2:22:58 pm

## COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES
State of Oklahoma

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Page			Sectio	n		Lin		OI UI	ie bri	ntea	PIII	
								the	Engro	ssed	Bill	
	By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:											
AMEND	TITLE TO	O CONFO	RM TO AMEND	MENTS								
Adopte	ed:					Amendment	submitte	d by:	Randy	Randle	man	

Reading Clerk

## STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

By: Randleman

3 PROPOSED COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 2931

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7 PROPOSED COMMITTEE SUBSTITUTE

An Act relating to human trafficking and child exploitation; creating the Human Trafficking and Child Exploitation Prevention Act; defining terms; directing retailers of Internet-enabled devices to equip products with certain filters; requiring retailers of Internet-enabled devices to ensure functionality of filters; establishing reporting requirements; directing retailers to submit reports of child pornography to certain tipline; prohibiting retailers from blocking access to certain websites; prohibiting retailers from sharing filter deactivation information with consumers; requiring retailers to deactivate filters under certain circumstances; providing for a one-time filter deactivation fee; providing for remittance of fee; directing the Oklahoma Tax Commission to deposit fee into certain revolving fund; providing purpose of fee; providing construing provision; directing the Attorney General to prepare and make available certain form; requiring retailers to use due care to protect privacy rights of adult consumers; prohibiting disclosure of personal identification information; providing for the unblocking of websites under certain circumstances; authorizing consumers to seek certain judicial relief; providing for attorney fees and costs; providing for the filing of civil actions when filters are breached; providing for attorney fees and costs; making retailers subject to penalties for deceptive trade practices; providing an affirmative defense; making certain acts unlawful; providing penalties; providing exemptions to provision of the act; establishing the Oklahoma Human Trafficking and Child Exploitation Prevention Grant

Fund; stating purpose of the fund; directing the Attorney General to utilize funds for specific needs and services; providing for the use of accrued interest amounts and remaining balances in the revolving fund; directing the Attorney General to evaluate activities of grant recipients and submit annual report to certain state officials; specifying contents of annual report; authorizing the Attorney General to establish eligibility requirements for grant recipients; providing expenditure limitations on grant funds; imposing fee for customers entering live adult entertainment establishments; directing remittance of said fee on a quarterly basis to the Tax Commission; directing deposit of fee into certain revolving fund; directing the Tax Commission to prescribe method of administration, payment, collection and enforcement of fees; stating purpose of admission fee; directing live adult entertainment establishments to record daily number of customers; requiring the maintenance of certain records; providing for the inspection and auditing of records by the Tax Commission; providing discretion on collecting and remitting admission fee; providing for

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. NEW LAW A new section of law to be codified

codification; and providing an effective date.

in the Oklahoma Statutes as Section 1031 of Title 15, unless there

is created a duplication in numbering, reads as follows:

19 Sections 1 through 8 of this act shall be known and may be cited

as the "Human Trafficking and Child Exploitation Prevention Act".

21 SECTION 2. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 1032 of Title 15, unless there

is created a duplication in numbering, reads as follows:

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As used in the Human Trafficking and Child Exploitation Prevention Act:

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- 1. "Cellular telephone" means a communication device containing a unique electronic serial number that is programmed into its computer chip by its manufacturer and whose operation is dependent on the transmission of that electronic serial number along with a mobile identification number, which is assigned by the cellular telephone carrier, in the form of radio signals through cell sites and mobile switching stations;
- 2. "Child pornography" has the same meaning as defined in Section 2256 of Title 18 of the United States Code and Section 1024.1 of Title 21 of the Oklahoma Statutes and describes an offense provided for in Section 1021.2 of Title 21 of the Oklahoma Statutes;
- 3. "Computer" has the same meaning as defined in Section 1030 of Title 18 of the United States Code;
- 4. "Consumer" means an individual, business, or entity that purchases or leases for personal, family, or household purposes or any other reason an Internet-enabled device;
- 5. "Data communications device" means an electronic device that receives electronic information from one source and transmits or routes it to another including, but not limited to, any such bridge, router, switch, or gateway;
- 6. "Filter" means digital blocking capability, hardware, or software that restricts or blocks Internet access to websites,

- electronic mail, chat, or other Internet-based communications based on category, site, or content and also means a digital blinder rack that can be deactivated by a retailer upon the satisfaction of certain nominal conditions;
  - 7. "Harmful to minors" has the same meaning as defined in Section 1040.75 of Title 21 of the Oklahoma Statutes;

- 8. "Human trafficking" has the same meaning as defined in Section 748 of Title 21 of the Oklahoma Statutes;
- 9. "Internet" has the same meaning as defined in Section 5362 of Title 31 of the United States Code;
- 10. "Internet-enabled device" means a cellular telephone, computer, data communications device, or other product manufactured, distributed, or sold in this state that provides Internet access or plays a material role in distributing content on the Internet;
- 11. "Internet service provider" means a person engaged in the business of providing a computer and communications facility through which a consumer may obtain access to the Internet. The term does not include a common carrier if it provides only telecommunication service;
- 12. "Live adult entertainment establishment" means a business in which, as the major activity, customers congregate primarily for the purpose of viewing or associating with employees who display anatomical areas designed to provide sexual stimulation or sexual gratification including, but not limited to, human genitals, the

immediate pubic region or pubic hair, buttocks to the extent of
exposing the immediate anal area, female breasts to points below the
nipples, male genitals in a state of erection even if covered with
opaque clothing, and all of the aforementioned anatomical areas when
covered only by transparent or diaphanous clothing;

13. "Minor" has the same meaning as defined in Section 1040.75 of Title 21 of the Oklahoma Statutes;

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- 14. "Nongovernment group" means a nonprofit organization exempt from federal income taxation pursuant to the provisions of Section 501(c)(3) of Title 26 of the Internal Revenue Code of 1986, whose primary purpose is ending sexual violence in this state through programs dedicated to preventing sexual violence, and outreach programs and technical assistance to and support of youth and rape crisis centers working to prevent sexual violence. The term also includes individuals or groups that are doing anything to uphold community standards of decency;
- 15. "Obscene" has the same meaning as defined in Section 1024.1 of Title 21 of the Oklahoma Statutes and includes Internet websites that:
  - a. are known to facilitate human trafficking or prostitution, and
  - b. display or depict images that are harmful to minors or that constitute sadomasochistic abuse, sexual excitement, sexual conduct, or revenge pornography;

16. "Personal identification information" means any information that identifies a person including a photograph, Social Security number, driver license number, name, email address, home address, or telephone number;

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- 17. "Prostitution" has the same meaning as defined in Section 1030 of Title 21 of the Oklahoma Statutes;
- 18. "Retailer" means any person who regularly engages in the manufacturing, sale, offer for sale, or lease of Internet-enabled devices or services in this state that makes content accessible on the Internet. The term includes Internet service providers;
- 19. "Revenge pornography" means images promoting the exposure of a person which is a criminal offense under the provisions of Section 1040.13b of Title 21 of the Oklahoma Statutes;
- 20. "Sadomasochistic abuse" has the same meaning as defined in Section 1040.75 of Title 21 of the Oklahoma Statutes;
- 21. "Sexual conduct" has the same meaning as defined in Section 1024.1 of Title 21 of the Oklahoma Statutes;
- 22. "Sexual excitement" has the same meaning as defined in Section 1040.75 of Title 21 of the Oklahoma Statutes; and
- 23. "Social media website" means an Internet website or application that enables users to communicate with each other by posting information, comments, messages, or images and that meets all of the following requirements:

a. is open to the public,

b. has more than seventy-five million (75,000,000)
subscribers,

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- c. from its inception, has not been specifically affiliated with any one religion or political party, and
- d. provides a means for the users of its website to report obscene materials and has in place procedures for evaluating those reports and thereafter removing said obscene material.
- SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1033 of Title 15, unless there is created a duplication in numbering, reads as follows:
- A. A retailer that manufactures, sells, offers for sale, leases, or distributes an Internet-enabled device shall ensure that the product is equipped with an active and operating filter prior to sale that blocks by default websites that:
- 1. Are known to facilitate human trafficking or prostitution; and
- 2. Display child pornography, revenge pornography, or obscene material harmful to minors.
- B. A retailer that manufactures, sells, offers for sale, leases, or distributes an Internet-enabled device shall:
- 1. Make reasonable and ongoing efforts to ensure that a product's filter functions properly;

- 2. Establish a reporting mechanism, such as a website or call center, to allow a consumer to report unblocked websites displaying content described in subsection A of this section or to report blocked websites that are not displaying content described in subsection A of this section;
- 3. Report child pornography received through the reporting mechanism to the CyberTipline of the National Center for Missing and Exploited Children in accordance with the provisions of Section 2258A of Title 18 of the United States Code; and
  - 4. Not block access to websites that:

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- a. are social media websites that provide a means for users of the website to report obscene materials and have in place procedures for evaluating those reports and removing the obscene material,
- b. serve primarily as a search engine, or
- c. display complete movies that meet the qualifications for a "G", "PG", "PG-13", or "R" rating by the Classification and Rating Administration, as those qualifications existed on September 1, 2021.
- C. Except as provided by subsection D of this section, a retailer of an Internet-enabled device may not provide to a consumer methods, source code, or other operating instructions for deactivating a product's filter.

- D. A retailer of an Internet-enabled device shall deactivate the filter after a consumer:
  - 1. Requests that the capability be disabled;

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- 2. Presents personal identification information to verify that the consumer is eighteen (18) years of age or older;
- 3. Acknowledges receiving a warning regarding the potential danger of deactivating the filter; and
- 4. Pays a one-time filter deactivation fee of Twenty Dollars (\$20.00) to the retailer who shall then be required to remit the filter deactivation fee on a quarterly basis to the Oklahoma Tax Commission to be deposited into the Oklahoma Human Trafficking and Child Exploitation Prevention Grant Fund established under the provisions of Section 7 of this act.
- E. The filter deactivation fee provided for in paragraph 4 of subsection D of this section is not content-based but shall be collected and remitted to the Oklahoma Tax Commission to help the state bear the costs of upholding community standards of decency and combating sex-related offenses and shall be used as set forth in subsection B of Section 7 of this act. The Tax Commission shall prescribe the administration, payment, collection, and enforcement of the fee imposed by the provisions of paragraph 4 of subsection D of this section. The Tax Commission may annually adjust the one-time fee to account for inflation.

F. Nothing in this act shall be construed to prevent a retailer of an Internet-enabled device from charging a reasonable, separate fee to deactivate the filter, which it may retain for profit.

- G. The Attorney General shall prepare and make available to retailers a form that includes all content that must be in the warning described in paragraph 3 of subsection D of this section.
- H. Nothing in this act shall be construed to require a retailer of an Internet-enabled device to create a database or registry that contains the names or personal identification information of adults who knowingly chose to deactivate a product's filter. A retailer of an Internet-enabled device shall take due care to protect the privacy rights of adult consumers under this section and shall not disclose the names or personal identification information of an adult consumer who decided to deactivate a product's filter.
- SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1034 of Title 15, unless there is created a duplication in numbering, reads as follows:
- A. Pursuant to paragraph 2 of subsection B of Section 3 of this act, if a filter blocks a website that is not displaying content described in subsection A of Section 3 of this act and the block is reported to a call center or other reporting mechanism, the website shall be unblocked within a reasonable time but in no event later than five (5) business days after the block is first reported. A consumer may seek judicial relief to unblock a website that was

wrongfully blocked by the filter. The prevailing party in a civil litigation may seek attorney fees, costs, and other forms of relief.

- B. Pursuant to paragraph 2 of subsection B of Section 3 of this act, if a retailer of an Internet-enabled device is unresponsive to a report of a website displaying content described in subsection A of Section 3 of this act that has breached the filter, the Attorney General or a consumer may file a civil action. The Attorney General or a consumer may seek monetary damages of up to Five Hundred Dollars (\$500.00) for each website that was reported but not subsequently blocked. The prevailing party in the civil action may seek attorney fees, costs, and other forms of relief.
- C. A retailer of an Internet-enabled device that fails to comply with a duty described in subsections A and B of this section has engaged in an abusive, unfair, and deceptive trade practice in violation of Section 753 of Title 15 of the Oklahoma Statutes and shall be subject to the penalties provided for therein.
- D. It shall be an affirmative defense in a civil action to a charge of violating this section that the dissemination of the content described in subsection A of Section 3 of this act was limited to institutions or organizations having scientific, educational, or other similar justifications for displaying the material.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1035 of Title 15, unless there is created a duplication in numbering, reads as follows:

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- A. It shall be unlawful for a retailer of an Internet-enabled device to knowingly:
- 1. Sell an Internet-enabled device without an activated filter that at least makes an attempt to block by default websites that display content described in subsection A of Section 3 of this act;
- 2. Violate the provisions of subsection C of Section 3 of this act;
- 3. Fail to comply with the requirements of subsection D of Section 3 of this act before deactivating a product's filter; or
- 4. Disclose to a third party the name or the personal identification information of adult consumers who have elected to deactivate a product's filter in violation of subsection H of Section 3 of this act without a court order directing otherwise.
- B. A retailer of an Internet-enabled device that commits an offense under the provisions of subsection A of this section shall, upon conviction, be guilty of a misdemeanor subject to a fine not exceeding One Thousand Dollars (\$1,000.00), or by imprisonment in a county jail for a term not exceeding two (2) days. A retailer convicted of a second violation within one (1) year of a first conviction shall be subject to a fine not exceeding Two Thousand Five Hundred Dollars (\$2,500.00), or by imprisonment in a county

jail for a term not exceeding ten (10) days. A retailer convicted
of a third or subsequent violation within one (1) year of a first
conviction shall be subject to a fine not exceeding Two Thousand
Five Hundred Dollars (\$2,500.00), or by imprisonment in a county
jail for a term not exceeding sixty (60) days.

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- C. A retailer of an Internet-enabled device that commits an offense under the provisions of subsection A of this section has engaged in an abusive, unfair, and deceptive trade practice in violation of Section 753 of Title 15 of the Oklahoma Statutes and is subject to the penalties provided for therein.
- D. Only the Attorney General or a district attorney can enforce the provisions of this section.
- SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1036 of Title 15, unless there is created a duplication in numbering, reads as follows:
  - A. The provisions of the Human Trafficking and Child Exploitation Prevention Act shall not apply to:
  - 1. An occasional sale of an Internet-enabled device by a person who is not regularly engaged in the trade business of selling Internet-enabled devices;
  - 2. Products produced or sold before the effective date of this act; and
- 3. Independent third-party routers that are not affiliated with an Internet service provider.

B. The provisions of this act do not apply to a retailer of an Internet-enabled device that is not subject to the jurisdiction of this state.

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- SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1037 of Title 15, unless there is created a duplication in numbering, reads as follows:
- There is hereby created in the State Treasury a revolving Α. fund to be designated as the "Oklahoma Human Trafficking and Child Exploitation Prevention Grant Fund" to be administered by the Office of the Attorney General or designee. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of filter deactivation fees collected by the Oklahoma Tax Commission from retailers of Internet-enabled devices pursuant to the provisions of paragraph 4 of subsection D of Section 3 of this act, live adult entertainment admission fees collected by the Tax Commission from live adult entertainment establishments pursuant to the provisions of subsection A of Section 8 of this act, and any other appropriations, gifts, grants, donations, bequests, or monies designated to the fund by law. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Attorney General for the following purposes:
- 1. Promote throughout the state the development of locally based and supported nonprofit programs for the survivors of sexual-related offenses and support for quality services to said survivors;

- 2. Empower government and nongovernment entities working to uphold community standards of decency to protect children and strengthen families;
- 3. Develop, expand, or prevent or offset the costs of sexrelated offenses; and
- 4. Not promote a culture of perpetual victimhood but maximize human flourishing and protect the safety, health, and welfare of the public.
- The purposes can be interpreted broadly to meet the evolving needs of the state. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.
- B. Money deposited into the revolving fund may be used only by the Office of the Attorney General or designee for grants to government and nongovernment entities and individuals that are working to uphold community standards of decency to protect children and strengthen families and that are developing, expanding, or strengthening programs for victims of human trafficking or child exploitation and specifically include the following:
- 1. The needs of any human trafficking task force or anti-human-trafficking coalition based in Oklahoma;

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- 2. The needs of the Department of Mental Health and Substance

  Abuse Services, District Attorneys Council and the State Department

  of Health;
  - 3. The needs of victims compensation programs;
- 5 4. Substance abuse services to persons with substance abuse 6 problems;
- 5. Counselors and victim advocates who are trained to assist victims of domestic violence and sexual abuse;
- 9 6. Shelters for persons who have been exposed to prostitution or sex trafficking;
  - 7. Research-based organizations;
- 8. Faith-based organizations working to uphold community
  standards of decency and assisting victims of human trafficking or
  other sex offenses;
- 9. Child advocacy centers;

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- 16 10. Organizations that provide legal advocacy to abused,
  17 neglected, and at-risk children;
- 18 11. Physical and mental health services;
- 19 12. Temporary and permanent housing placement;
- 20 | 13. Employment, placement, education, and training;
- 21 14. Independent school districts;
- 22 | 15. Family counseling and therapy;
- 23 | 16. Law enforcement;

17. Musical, writing, design, cinematic, or pictorial creative art projects that promote decency;

- 18. Regional nonprofit providers of civil legal services to provide legal assistance for sexual assault victims;
  - 19. Grants to support technology in rape crisis centers;
  - 20. Sexual violence awareness and prevention campaigns;
- 7 21. Scholarships for students demonstrating outstanding 8 character or leadership skills; and
  - 22. Any other state agency or organization for the purpose of conducting human trafficking enforcement programs or upholding community standards of decency.
  - C. Interest accruing on investments and deposits of the fund shall be credited to the fund, shall not revert to the General Fund and shall be carried forward into the subsequent fiscal year.
  - D. Any balance in the fund remaining at the end of a fiscal year shall not revert to the General Fund but shall be carried forward into the subsequent fiscal year.
  - E. The Attorney General or designee shall annually evaluate activities conducted under this section and shall, on or before the fifteenth of February of each year, submit an annual report containing the result of the evaluation to the Secretary of the Oklahoma State Senate and the Chief Clerk of the Oklahoma House of Representatives and notify the Legislature that the report is available. The report shall include:

- 1. The amount of filter deactivation fees received under paragraph 4 of subsection D of Section 3 of this act;
  - 2. The amount of live adult entertainment admission fees received under subsection A of Section 8 of this act;
  - 3. The manner in which the monies deposited in the grant fund are distributed; and
  - 4. The manner in which the entities that received funds pursuant to subsection B of this section utilized said funds.
    - F. The Attorney General or designee shall be authorized to:
  - 1. Determine eligibility requirements for any grant awarded under the provisions of this section;
  - 2. Require grant recipients to offer minimum services for a period of time before receiving said grant and continue to offer minimum services during the grant period; and
  - 3. Require a grant recipient to submit financial and programmatic reports.
  - G. The Attorney General shall be prohibited from expending more than ten percent (10%) of the available funds on the administration of the fund.
- SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1038 of Title 15, unless there is created a duplication in numbering, reads as follows:

A. Upon the effective date of this act, an admission fee of Five Dollars (\$5.00) shall be imposed for each entry by each customer admitted to a live adult entertainment establishment.

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- B. The fee prescribed by subsection A of this section shall be remitted quarterly to the Oklahoma Tax Commission on such forms as the Commission may prescribe for such purpose. All required forms and remittances shall be filed with the Tax Commission no later than the fifteenth day of the month following the close of each calendar quarter.
- C. The Tax Commission shall apportion all revenues derived from the fee to the Oklahoma Human Trafficking and Child Exploitation

  Prevention Grant Fund established in Section 7 of this act.

The Tax Commission shall prescribe the method of administration, payment, collection, and enforcement of the fee imposed by this section.

- D. The admission fee is not content-based but shall be imposed and remitted to the state to offset secondary harmful effects, to help the state uphold community standards of decency, to combat sexrelated crimes, and to be used as described in subsection B of Section 7 of this act.
- E. The admission fee shall be in addition to all other taxes imposed on the business that offers live adult entertainment.
- F. Each live adult entertainment establishment shall record daily in the manner required by the Tax Commission the number of

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customers admitted to the business. The business shall maintain the records for the period required by the Tax Commission and make the records available only for inspection and audit on request by the Tax Commission. The records shall not contain the names or personal information of any of the customers of the live adult entertainment establishment.
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G. This section shall not require a live adult entertainment establishment to impose a tax on customers of the establishment.

The live adult entertainment establishment shall have the discretion to determine the manner by which the establishment derives the funds required to pay the fee imposed under the provisions of this section.

SECTION 9. This act shall become effective November 1, 2022.

58-2-10528 GRS 02/17/22

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