SENATE BILL NO. 360–SENATORS PICKARD, SEEVERS GANSERT, HAMMOND; HANSEN, HARDY AND SETTELMEYER

MARCH 19, 2019

JOINT SPONSORS: ASSEMBLYMEN HARDY, LEAVITT, TITUS, ROBERTS; EDWARDS, ELLISON AND KRAMER

Referred to Committee on Judiciary

SUMMARY—Enacts the Human Trafficking and Child Exploitation Prevention Act. (BDR 15-11)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.

Effect on the State: Yes.

EXPLANATION - Matter in *bolded italics* is new; matter between brackets *fomitted material* is material to be omitted.

AN ACT relating to crimes; enacting the Human Trafficking and Child Exploitation Prevention Act; prohibiting certain persons from manufacturing, selling, offering for sale, leasing or distributing a product that makes content accessible on the Internet unless certain requirements are met; providing for certain fees; establishing the Human Trafficking and Child Exploitation Prevention Grant Fund; authorizing the imposition of a fine; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill enacts the Human Trafficking and Child Exploitation Prevention Act. Section <u>4</u> of this bill generally prohibits a person from manufacturing, selling, offering for sale, leasing or distributing any product that makes content accessible on the Internet unless: (1) the product has a digital blocking capability that attempts to render Internet websites displaying obscene material inaccessible by default; and (2) if the product is being manufactured for or is sold, offered for sale, leased or distributed to a consumer who is less than 18 years of age, the digital blocking capability is active and properly operating. Section <u>4</u> also imposes certain duties on a person who manufactures, sells, offers for sale, leases or distributes any product

10 that makes content accessible on the Internet.

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11 Section <u>5</u> of this bill requires a person who manufactures, sells, offers for sale,

12 leases or distributes a product that makes content accessible on the Internet to

13 deactivate the digital blocking capability of the product if certain requirements are

14 met, including a requirement that the person collect a one-time digital access fee of

15	\$20 from the consumer, which is required to be remitted to the State. Section 5 also
16	authorizes such a person to charge an additional fee to deactivate the digital
17	blocking capability of the product, which the person is authorized to retain.
18	Section 6 of this bill establishes the Human Trafficking and Child Exploitation
19	Prevention Grant Fund. Section 6 requires any digital access fees and any fines
20	collected by the State for certain violations to be deposited with the State Treasurer
21	each quarter for credit to the Fund. Section <u>6</u> further requires that money credited
22	to the Fund may be used only for certain purposes by: (1) the Attorney General; (2)
23	the Department of Health and Human Services; (3) the Office of the Governor; and
24	(4) any state agency or organization.
25	Section 7 of this bill authorizes the filing of a civil action by the Attorney
26	General or a consumer if a person who manufactures, sells, offers for sale, leases or
27	distributes a product that makes content accessible on the Internet is not responsive
28	to a report of an Internet website displaying obscene material. Section 7 authorizes
29	the Attorney General or consumer to seek damages in an amount not to exceed
30	\$500 for each Internet website that was reported but was not subsequently blocked.
31	Section 7 requires that any such monetary award be deposited with the State
32	Treasurer for credit to the State General Fund.
33	Section 8 of this bill establishes an affirmative defense in a civil action that the
34	dissemination of any obscene material was limited to institutions or organizations
35	having scientific, educational or other similar justifications for displaying the
36	obscene material.
37	Section 9 of this bill provides that if a person who manufactures, sells, offers
38	for sale, leases or distributes a product that makes content accessible on the Internet
39	commits certain violations, the person must be punished: (1) for a first offense, by a
40	fine of \$1,000; and (2) for a second or subsequent offense, for a misdemeanor.
41	Section <u>10</u> of this bill provides that the provisions of sections <u>2-9</u> of this bill do
42	not apply to the occasional sale of any product that makes content accessible on the
43	Internet by a person who is not regularly engaged in the business of selling such
44	products.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 201 of NRS is hereby amended by adding
 thereto the provisions set forth as sections <u>2</u> to <u>10</u>, inclusive, of this
 act.

4 Sec. 2. Sections <u>2</u> to <u>10</u>, inclusive, of this act may be cited as 5 the Human Trafficking and Child Exploitation Prevention Act.

6 Sec. 3. As used in sections <u>2</u> to <u>10</u>, inclusive, of this act,

7 unless the context otherwise requires, "obscene material" means 8 anything that is capable of being used or adapted to arouse

9 interest, whether through the medium of reading, observation,

10 sound or in any other manner, which:

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1	1. An	average person applying contemporary	community
2	standards	would find, taken as a whole, appeals	to prurient

3 *interest;*

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4 **2.** Taken as a whole lacks serious literary, artistic, political or 5 scientific value; and

- 3. Does one of the following:
- 7 (a) Depicts or describes in a patently offensive way ultimate
- 8 sexual acts, normal or perverted, actual or simulated.

9 (b) Depicts or describes in a patently offensive way

10 masturbation, excretory functions, sadism or masochism.

- 11 (c) Lewdly exhibits the genitals.
- 12 Appeal must be judged with reference to ordinary adults, unless
- 13 *it appears, from the character of the material or the circumstances*
- 14 of its dissemination, to be designed for children or a clearly

15 defined deviant group. Sec. 4. 1. Except as otherwise provided in section <u>10 of this</u> 16 17 act, a person shall not manufacture, sell, offer for sale, lease or 18 distribute any product that makes content accessible on the 19 Internet unless: (a) The product has a digital blocking capability that attempts 20 21 to render Internet websites displaying obscene material 22 inaccessible by default; and (b) If the product is being manufactured for or is sold, offered 23 for sale, leased or distributed to a consumer who is less than 18 24 years of age, the digital blocking capability is active and properly 25 26 operating. 27 2. A person who manufactures, sells, offers for sale, leases or 28 distributes a product that makes content accessible on the Internet 29 shall: 30 (a) Make reasonable and ongoing efforts to ensure that the digital blocking capability of the product functions properly. 31 32 (b) Establish a reporting mechanism, including, without 33 limitation, an Internet website or call center, to allow a consumer to report any unblocked Internet website that displays obscene 34 35 material or any blocked Internet website that does not display 36 obscene material. 37 (c) Except as otherwise provided in subsection 3, attempt to: 38 (1) Ensure that any Internet website displaying pornography involving minors or an intimate image is inaccessible 39 on the product by default; 40 41 (2) Prevent the product from accessing any hub that

- 42 *facilitates prostitution by default; and*
- 43 (3) Render any Internet website known to facilitate human
- 44 trafficking inaccessible by default.

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1 (d) Report any Internet website that displays pornography

2 involving minors, of which the person is made aware pursuant to

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3 the reporting mechanism established pursuant to paragraph (b) of

4 subsection 2, to the CyberTipline of the National Center for

5 Missing and Exploited Children, or any successor to the

6 CyberTipline operated by the National Center for Missing and

7 *Exploited Children, in accordance with 18 U.S.C. § 2258A.*

8 3. The digital blocking capability of a product must not block 9 access to any:

10 (a) Social media Internet website that provides a means for a

11 user thereof to report obscene material and has procedures in

12 place for evaluating such reports and removing obscene material; 13 or 14

(b) Search engine.

15 4. As used in this section, "intimate image" includes, without limitation, a photograph, film, videotape or other recorded image 16 17 which depicts:

- (a) The fully exposed nipple of the female breast of another 18 person, including through transparent clothing; or 19
- (b) One or more persons engaged in sexual conduct. 20
- 21 Sec. 5. 1. A person who manufactures, sells, offers for sale,

leases or distributes a product that makes content accessible on the 22

Internet shall deactivate the digital blocking capability of the 23

24 product if:

- 25 (a) The consumer requests that the digital blocking capability be deactivated; 26
- 27 (b) The person requests that the consumer present
- 28 *identification to verify that the consumer is 18 years of age or*
- 29 older and the consumer presents such identification;
- (c) The person provides to the consumer a warning regarding 30
- 31 the potential dangers of deactivating the digital blocking capability
- 32 and the consumer acknowledges receiving such a warning; and
- 33 (d) The person collects from the consumer a one-time digital
- access fee of \$20, to be remitted to the State in accordance with 34 section <u>6 of</u> this act. 35
- 36 2. The digital access fee required by paragraph (d) of
- 37 subsection 1 is not content-based but is charged to a consumer
- and remitted to the State for the purpose of helping the State bear 38
- 39 the costs of upholding community standards of decency and
- 40 combat sexual offenses.
- 41 3. In addition to the digital access fee required by paragraph
- 42 (d) of subsection 1, a person may charge a reasonable fee to
- 43 deactivate the digital blocking capability of a product and may
- 44 retain such a fee.

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1 Sec. 6. 1. There is hereby established in the State Treasury

- 2 a special fund to be known as the Human Trafficking and Child 3 **Exploitation Prevention Grant Fund.**
- 4 2. Any digital access fees collected by a person pursuant to 5 paragraph (d) of subsection 1 of section <u>5 of this act and any fines</u>
- 6
- collected by the State pursuant to paragraph (a) of subsection 2 of 7 section <u>9 of this act must be deposited with the State Treasurer</u>
- 8 each quarter for credit to the Fund.
- 9 3. Money credited to the Fund may be used only by:
- 10 (a) The Attorney General, for grants to governmental and
- nongovernmental entities and persons who are working to uphold 11
- 12 community standards of decency, strengthen families and develop,

13 expand or strengthen programs for victims of human trafficking

- or child exploitation. Such grants may include, without limitation, 14
- grants for the sole benefit of victims of human trafficking or child 15
- exploitation, including, without limitation, grants for: 16
- 17 (1) Testing sexual assault forensic evidence kits. 18
 - (2) Providing physical and mental health services.
- 19 (3) Providing temporary or permanent housing placement.
- 20 (4) Providing employment placement, education and
- 21 training.
- 22 (5) Training first responders and increasing public
- 23 awareness for the purpose of preventing human trafficking,
- 24 domestic violence, prostitution, divorce, child abuse and rape and 25 protecting victims thereof.
- 26 (6) Providing compensation for victims.
- 27 (7) Funding independent school districts.
- 28 (8) Funding shelters and dream centers.
- 29 (9) Providing family counseling.
- 30 (10) Assisting law enforcement agencies in relation to
- human trafficking and child exploitation. 31
- 32 (11) Funding musical, writing, design, cinematic or
- 33 pictorial creative art projects that promote decency.
- 34 (b) The Department of Health and Human Services for grants

35 to support programs assisting victims of human trafficking.

- 36 (c) The Office of the Governor for grants to support:
- 37 (1) The prosecution of human trafficking.
- 38 (2) Projects to uphold community standards of decency.
- 39 (*á*) State security.
- 40 (d) Any state agency or organization for the purpose of
- 41 conducting human trafficking enforcement programs.
- 42 **4.** As used in this section:
- 43 (a) "Human trafficking" has the meaning ascribed to it in
- 44 NRS 49.25425.

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1 (b) "Sexual assault forensic evidence kit" has the meaning 2 ascribed to it in NRS 200.364.

3 Sec. 7. 1. If the digital blocking capability of a product

4 blocks an Internet website that does not display obscene material 5 and the block is reported through a reporting mechanism

- 6 established pursuant to paragraph (b) of subsection 2 of section <u>4</u> 7 of this act, the Internet website must be unblocked within a
- 8 reasonable time, but not later than 5 business days after the block
 9 is first reported.

10 **2.** A consumer may seek judicial relief to unblock filtered

content. The prevailing party may seek attorney's fees, costs and
 other forms of relief.

13 3. If a person who manufactures, sells, offers for sale, leases 14 or distributes a product that makes content accessible on the 15 Internet is unresponsive to a report of an Internet website

16 displaying obscene material that has breached the filter, the

17 Attorney General or a consumer may file a civil action against the

18 person. The Attorney General or a consumer may seek damages in

19 an amount not to exceed \$500 for each Internet website that was

20 reported but was not subsequently blocked. The prevailing party in

21 the civil action may seek attorney's fees, costs and other forms of

22 relief. Any monetary award recovered by the Attorney General or 23 consumer, other than attorney's fees and costs, must be deposited

with the State Treasurer for credit to the State General Fund.

25 Sec. 8. It is an affirmative defense in a civil action regarding

26 a violation of sections <u>2</u> to <u>10</u>, inclusive, of this act that the

27 dissemination of any obscene material was limited to institutions

28 or organizations having scientific, educational or other similar

29 *justifications for displaying the obscene material.*

30 Sec. 9. 1. A person who manufactures, sells, offers for sale,

31 leases or distributes a product that makes content accessible on the

32 Internet shall be punished as provided in subsection 2 if the 33 person knowingly:

(a) Provides the source code or mechanism to deactivate the
 digital blocking capability of a product to a consumer who is less

36 than 18 years of age or to a nonconsenting adult;

- 37 **(b)** Violates subsection 1 of section <u>4 of this act</u>; or
- 38 (c) Fails to comply with the requirements of subsection 1 of

section <u>5 of this act before deactivating the digital blocking</u>
 capability of a product.

41 **2.** A person who violates the provisions of subsection 1 shall 42 be punished:

43 *(a) For a first offense, by a fine of \$1,000.*

44 (b) For a second or subsequent offense, for a misdemeanor.



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Sec. 10. The provisions of sections <u>2</u> to <u>9</u>, inclusive, of this act do not apply to the occasional sale of any product that makes content accessible on the Internet by a person who is not regularly engaged in the business of selling such products. Sec. 11. Except as otherwise provided in section <u>10</u> of this act, the amendatory provisions of this act apply to any products that make content accessible on the Internet that are manufactured, sold, offered for sole lenged or distributed on or after October 1, 2010

offered for sale, leased or distributed on or after October 1, 2019.

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