THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. 1295 Session of 2021

INTRODUCED BY PARKER, HARRIS, ISAACSON, SANCHEZ, HOHENSTEIN AND NEILSON, APRIL 27, 2021

REFERRED TO COMMITTEE ON JUDICIARY, APRIL 27, 2021

AN ACT

| 1 2 3 4 5 6 7 | Amending Titles 12 (Commerce and Trade) and 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in commercial protection, providing for indecent deceptive trade practices and imposing duties on the Secretary of Revenue and the Attorney General; and, in prevention of human trafficking, establishing the Indecent Deceptive Trade Practices Fund. |
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| 8 | This act may be referred to as the Human Trafficking and |
| 9 | Child Exploitation Prevention Act. |
| 10 | The General Assembly of the Commonwealth of Pennsylvania |
| 11 | hereby enacts as follows: |
| 12 | Section 1. Part IV of Title 12 of the Pennsylvania |
| 13 | Consolidated Statutes is amended by adding a chapter to read: |
| 14 | <u>CHAPTER 55</u> |
| 15 | INDECENT DECEPTIVE TRADE PRACTICES |
| 16 | <u>Sec.</u> |
| 17 | 5501. Scope of chapter. |
| 18 | 5502. Definitions. |
| 19 | 5503. Duties of retailers. |
| 20 | 5504. Filter deactivation fee. |

- 1 <u>5505. Warning regarding filter deactivation.</u>
- 2 <u>5506.</u> Database or registry not required.
- 3 <u>5507. Confidentiality.</u>
- 4 5508. Remedies and affirmative defense.
- 5 5509. Unlawful practices and penalties.
- 6 <u>5510. Live adult entertainment establishment admission fee.</u>
- 7 <u>5511. Applicability.</u>
- 8 <u>§ 5501. Scope of chapter.</u>
- 9 <u>This chapter relates to indecent deceptive trade practices.</u>
- 10 <u>§ 5502. Definitions.</u>
- 11 The following words and phrases when used in this chapter
- 12 shall have the meanings given to them in this section unless the
- 13 <u>context clearly indicates otherwise:</u>
- 14 "Cellular telephone." A communication device containing a
- 15 <u>unique electronic serial number that is programmed into its</u>
- 16 computer chip by its manufacturer and whose operation is
- 17 dependent on the transmission of that electronic serial number
- 18 along with a mobile identification number, which is assigned by
- 19 the cellular telephone carrier, in the form of radio signals
- 20 through cell sites and mobile switching stations.
- 21 "Child pornography." As defined in 18 U.S.C. § 2256(8)
- 22 (relating to definitions for chapter), which describes an
- 23 offense under 18 Pa.C.S. § 6312 (relating to sexual abuse of
- 24 <u>children).</u>
- 25 <u>"Community." As defined in 18 Pa.C.S. § 5903(b) (relating to</u> 26 obscene and other sexual materials and performances).
- 27 <u>"Computer."</u> As follows:
- 28 (1) An electronic, magnetic, optical, electrochemical or
- 29 <u>other high speed data processing device performing logical</u>,
- 30 <u>arithmetic or storage functions.</u>

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| 1 | (2) The term includes a data storage facility or |
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| 2 | communications facility directly related to or operating in |
| 3 | conjunction with the device under paragraph (1). |
| 4 | (3) The term does not include an automated typewriter or |
| 5 | typesetter, a portable hand-held calculator or other similar |
| 6 | <u>device.</u> |
| 7 | "Consumer." An individual who purchases or leases for |
| 8 | personal, family or household purposes an Internet-enabled |
| 9 | device. |
| 10 | "Data communications device." An electronic device that |
| 11 | receives electronic information from one source and transmits or |
| 12 | routes it to another, including a bridge, router, switch or |
| 13 | gateway. |
| 14 | "Filter." As follows: |
| 15 | (1) A filter described in section 5503(a) (relating to |
| 16 | <u>duties of retailers).</u> |
| 17 | (2) The term includes any of the following: |
| 18 | (i) Digital blocking capability, hardware or |
| 19 | software that restricts or blocks Internet access to |
| 20 | websites, electronic mail, chat or other Internet-based |
| 21 | communications based on category, site or content. |
| 22 | (ii) A digital blinder rack that can be deactivated |
| 23 | by a retailer upon the satisfaction of certain nominal |
| 24 | conditions required by adult consumers. |
| 25 | <u>"Human trafficking." As described in 18 Pa.C.S. § 3011</u> |
| 26 | (relating to trafficking in individuals). |
| 27 | "Internet." As defined in 31 U.S.C. § 5362(5) (relating to |
| 28 | definitions). |
| 29 | "Internet-enabled device." A cellular telephone, computer, |
| 30 | data communications device or other product manufactured, |
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| 1 | distributed or sold in this Commonwealth that provides Internet |
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| 2 | access or plays a material role in distributing content on the |
| 3 | Internet. |
| 4 | "Internet service provider." As follows: |
| 5 | (1) A person engaged in the business of providing a |
| 6 | computer and communications facility through which a consumer |
| 7 | may obtain access to the Internet. |
| 8 | (2) The term does not include a common carrier if it |
| 9 | provides only telecommunications service. |
| 10 | "Live adult entertainment establishment." As follows: |
| 11 | (1) A nightclub, bar, restaurant or similar commercial |
| 12 | enterprise that: |
| 13 | (i) Provides for an audience of two or more |
| 14 | individuals with live nude entertainment or live nude |
| 15 | performances. |
| 16 | (ii) Authorizes on-premises consumption of alcoholic |
| 17 | beverages, regardless of whether the consumption of |
| 18 | alcoholic beverages is under a license or permit issued |
| 19 | under the act of April 12, 1951 (P.L.90, No.21), known as |
| 20 | the Liquor Code. |
| 21 | (2) The term does not include a theatre as defined under |
| 22 | section 2 of the act of June 5, 1937 (P.L.1656, No.344), |
| 23 | known as the Store and Theatre Tax Act. |
| 24 | "Minor." As defined in 18 Pa.C.S. § 5903(b). |
| 25 | "Nude." Either of the following: |
| 26 | (1) Entirely unclothed. |
| 27 | (2) Clothed in a manner that leaves uncovered or |
| 28 | visible, through less than fully opaque clothing, any portion |
| 29 | of the breasts below the top of the areola of the breasts, if |
| 30 | the person is female, or any portion of the genitals or |

| 1 | buttocks. |
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| 2 | "Obscene." As follows: |
| 3 | <u>(1) As defined in 18 Pa.C.S. § 5903(b).</u> |
| 4 | (2) The term includes a website that: |
| 5 | (i) is known to facilitate human trafficking and |
| 6 | prostitution; or |
| 7 | (ii) displays or depicts images that are harmful to |
| 8 | minors or that constitutes sadomasochistic abuse, sexual |
| 9 | excitement, sexual conduct or revenge pornography. |
| 10 | "Personal identification information." Information that |
| 11 | identifies a person, including an individual's photograph, |
| 12 | Social Security number, driver identification number, name, |
| 13 | email address, address or telephone number. |
| 14 | "Prostitution." As described in 18 Pa.C.S. § 5902 (relating |
| 15 | to prostitution and related offenses). |
| 16 | "Retailer." As follows: |
| 17 | (1) A person that regularly engages in the |
| 18 | manufacturing, sale, offer for sale, lease or distribution of |
| 19 | Internet-enabled devices or services in this Commonwealth |
| 20 | that make content accessible on the Internet. |
| 21 | (2) The term includes an Internet service provider or |
| 22 | supplier or manufacturer of Internet-enabled devices that: |
| 23 | (i) materially play a role in distributing content |
| 24 | on the Internet or that make content accessible on the |
| 25 | Internet; and |
| 26 | (ii) are subject to the jurisdiction of this |
| 27 | Commonwealth. |
| 28 | "Revenge pornography." The distribution of sexually explicit |
| 29 | images or video of individuals without their permission, which |
| 30 | <u>is an offense under 18 Pa.C.S. § 3131 (relating to unlawful</u> |
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| 1 | <u>dissemination of intimate image).</u> |
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| 2 | <u>"Sadomasochistic abuse." As defined in 18 Pa.C.S. § 5903(b).</u> |
| 3 | "Sexual conduct." As defined in 18 Pa.C.S. § 5903(b). |
| 4 | <u>"Sexual excitement." As defined in 18 Pa.C.S. § 5903(e)(4).</u> |
| 5 | "Social media website." An Internet website or application |
| 6 | that enables users to communicate with each other by posting |
| 7 | information, comments, messages or images and that meets all of |
| 8 | the following requirements: |
| 9 | (1) Is open to the public. |
| 10 | (2) Has more than 75 million subscribers. |
| 11 | (3) From its inception, has not been specifically |
| 12 | affiliated with any one religion or political party. |
| 13 | (4) Provides a means for the website's users to report |
| 14 | obscene materials and has in place procedures for evaluating |
| 15 | those reports and removing obscene material. |
| 16 | <u>§ 5503. Duties of retailers.</u> |
| 17 | (a) Filter generallyA retailer of an Internet-enabled |
| 18 | device shall ensure that the device is equipped with an active |
| 19 | and operating filter prior to sale that blocks by default |
| 20 | Internet websites that: |
| 21 | (1) Are known to facilitate human trafficking or |
| 22 | prostitution. |
| 23 | (2) Display child pornography, revenge pornography or |
| 24 | obscene material harmful to minors. |
| 25 | (b) Specific dutiesA retailer of an Internet-enabled |
| 26 | device: |
| 27 | (1) Shall make reasonable and ongoing efforts to ensure |
| 28 | that the filter functions properly. |
| 29 | (2) Shall establish a reporting mechanism, such as a |
| 30 | website or call center, to allow a consumer to report |
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| 1 | unblocked websites displaying content described in subsection |
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| 2 | (a) or report blocked websites that are not displaying |
| 3 | content described in subsection (a). |
| 4 | (3) Shall report child pornography received through the |
| 5 | reporting mechanism under subsection (b) to the CyberTipline |
| 6 | operated by the National Center for Missing and Exploited |
| 7 | Children in accordance with 18 U.S.C. § 2258A (relating to |
| 8 | reporting requirements of providers). |
| 9 | (4) May not block access to websites that: |
| 10 | (i) are social media websites that provide a means |
| 11 | for the website's users to report obscene materials and |
| 12 | have in place procedures for evaluating those reports and |
| 13 | removing obscene material; |
| 14 | (ii) serve primarily as a search engine; or |
| 15 | (iii) display complete movies that meet the |
| 16 | <u>qualifications for a "G," "PG," "PG-13" or "R" rating by</u> |
| 17 | the Classification and Rating Administration, as those |
| 18 | qualifications existed on September 1, 2020. |
| 19 | (5) Except as provided in subsection (c), may not |
| 20 | provide to a consumer methods, source code or other operating |
| 21 | instructions for deactivating the filter of the device. |
| 22 | (c) Deactivation of filterA retailer of an Internet- |
| 23 | enabled device shall deactivate the filter of the device after a |
| 24 | <u>consumer:</u> |
| 25 | (1) Requests that the capability be disabled. |
| 26 | (2) Presents personal identification information to |
| 27 | verify that the consumer is 18 years of age or older. |
| 28 | (3) Acknowledges receiving a warning regarding the |
| 29 | potential danger of deactivating the filter. |
| 30 | (4) Pays a one-time \$20 filter deactivation fee to the |
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| 1 | Department of Revenue in accordance with section 5504 |
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| 2 | (relating to filter deactivation fee). |
| 3 | <u>§ 5504. Filter deactivation fee.</u> |
| 4 | (a) Duties of Secretary of RevenueThe Secretary of |
| 5 | Revenue shall prescribe the method of administration, payment, |
| 6 | collection and enforcement of the fee imposed under section |
| 7 | 5503(c) (relating to duties of retailers), in conformity with |
| 8 | the provisions of the act of April 9, 1929 (P.L.343, No.176), |
| 9 | known as The Fiscal Code. The following apply: |
| 10 | (1) The Secretary of Revenue shall forward 80% of the |
| 11 | revenue received from the fee to the fund under 18 Pa.C.S. § |
| 12 | 3033 (relating to Indecent Deceptive Trade Practices Fund). |
| 13 | (2) The Secretary of Revenue shall forward 20% of the |
| 14 | revenue received from the fee to the Department of Human |
| 15 | Services for use for victims of rape in accordance with |
| 16 | provisions of section 2333 of the act of April 9, 1929 |
| 17 | (P.L.177, No.175), known as The Administrative Code of 1929. |
| 18 | (b) PurposeThe fee imposed under section 5503(c) shall |
| 19 | not be content-based and shall be for the purpose of helping the |
| 20 | Commonwealth bear the costs of upholding community standards of |
| 21 | decency and combating sex-related offenses. |
| 22 | (c) AdjustmentThe Secretary of Revenue may annually |
| 23 | adjust the fee imposed under section 5503(c) to account for |
| 24 | inflation. The following apply: |
| 25 | (1) If the fee is adjusted to account for inflation, the |
| 26 | Secretary of Revenue shall: |
| 27 | (i) Transmit a notice of the fee adjustment to the |
| 28 | Legislative Reference Bureau for publication in the |
| 29 | <u>Pennsylvania Bulletin.</u> |
| 30 | (ii) Post a notice of the fee adjustment on the |
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| 1 | <u>publicly accessible Internet website of the Department of</u> |
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| 2 | Revenue. |
| 3 | (2) The fee adjustment shall be effective 30 days after |
| 4 | the publication of the notice under paragraph (1)(i). |
| 5 | (d) EffectNothing in this chapter shall be construed to |
| 6 | prevent a retailer from charging a reasonable fee, in addition |
| 7 | to the fee imposed under section 5503(c), to deactivate the |
| 8 | <u>filter.</u> |
| 9 | <u>§ 5505. Warning regarding filter deactivation.</u> |
| 10 | The Attorney General shall prepare and make available to |
| 11 | retailers a form that includes all content that must be in the |
| 12 | warning described in section 5503(c)(3) (relating to duties of |
| 13 | <u>retailers).</u> |
| 14 | <u>§ 5506. Database or registry not required.</u> |
| 15 | Nothing in this act shall be construed to require a retailer |
| 16 | of an Internet-enabled device to create a database or registry |
| 17 | that contains the names or personal identification information |
| 18 | of adult consumers who knowingly chose to deactivate the filter |
| 19 | of the device. |
| 20 | <u>§ 5507. Confidentiality.</u> |
| 21 | <u>A retailer of an Internet-enabled device shall take due care</u> |
| 22 | to protect the privacy rights of adult consumers under this |
| 23 | chapter and may not disclose the name or personal identification |
| 24 | information of an adult consumer who decided to deactivate the |
| 25 | filter of the device. |
| 26 | <u>§ 5508. Remedies and affirmative defense.</u> |
| 27 | (a) Remedy by consumer generallyIn accordance with |
| 28 | section 5503(b)(2) (relating to duties of retailers), if the |
| 29 | filter blocks a website that is not displaying content described |
| 30 | in section 5503(a) and the block is reported to a reporting |
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| 1 | mechanism, the website shall be unblocked within a reasonable |
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| 2 | time, but in no event later than five business days after the |
| 3 | block is first reported. The following apply: |
| 4 | (1) A consumer may commence a civil action to unblock a |
| 5 | website that was wrongfully blocked by the filter. |
| 6 | (2) The prevailing party in the civil action may seek |
| 7 | attorney fees, costs and other forms of relief. |
| 8 | (b) Other remediesIn accordance with section 5503(b)(2), |
| 9 | if a person who manufactures, sells, offers for sale, leases or |
| 10 | distributes a product that makes content accessible on the |
| 11 | Internet is unresponsive to report of a website displaying |
| 12 | content described in section 5503(a) that has breached the |
| 13 | filter, the Attorney General or a consumer may commence a civil |
| 14 | action. The following apply: |
| 15 | (1) The Attorney General or consumer may seek damages of |
| 16 | up to \$500 for each website that was reported but not |
| 17 | subsequently blocked. |
| 18 | (2) The prevailing party in the civil action may seek |
| 19 | attorney fees, costs and other forms of relief. |
| 20 | (c) Unfair trade practicesA retailer that fails to comply |
| 21 | with the duties under subsection (a) or (b) shall be deemed to |
| 22 | have engaged in unfair methods of competition and unfair or |
| 23 | deceptive acts or practices in violation of the act of December |
| 24 | 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices |
| 25 | and Consumer Protection Law, and is subject to the penalties |
| 26 | under that act. |
| 27 | (d) Affirmative defenseIt shall be an affirmative defense |
| 28 | in a civil action to a charge of violating this chapter that the |
| 29 | dissemination of the content described in section 5503(a) was |
| 30 | limited to institutions or organizations having scientific, |
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| 1 | educational or other similar jurisdictions for displaying the |
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| 2 | <u>material.</u> |
| 3 | § 5509. Unlawful practices and penalties. |
| 4 | (a) OffenseA retailer is guilty of an offense if the |
| 5 | <u>retailer knowingly:</u> |
| 6 | (1) Sells an Internet-enabled device without an |
| 7 | activated filter that at least makes an attempt to block by |
| 8 | default websites that display content described in section |
| 9 | 5503(a) (relating to duties of retailers). |
| 10 | (2) Violates section 5503(b)(5). |
| 11 | (3) Fails to comply with the requirements of section |
| 12 | 5503(c) before deactivating the filter. |
| 13 | (4) Discloses to a third party the name or personal |
| 14 | identification information of an adult consumer who has |
| 15 | elected to deactivate a filter, without a court order |
| 16 | directing otherwise. |
| 17 | (b) PenaltyA retailer that commits an offense under |
| 18 | subsection (a) shall be fined not more than \$1,000 for a first |
| 19 | offense and not more than \$2,500 for a second or subsequent |
| 20 | offense. |
| 21 | <u>(c) Other penalties</u> |
| 22 | (1) A retailer that commits an offense under subsection |
| 23 | (a) with two prior convictions under subsection (a) is guilty |
| 24 | of a misdemeanor of the first degree and is subject to the |
| 25 | penalties specified in 18 Pa.C.S. § 5903(h) (relating to |
| 26 | obscene and other sexual materials and performances). |
| 27 | (2) A retailer that commits an offense under subsection |
| 28 | (a) shall be deemed to have engaged in unfair methods of |
| 29 | competition and unfair or deceptive acts or practices in |
| 30 | violation of the act of December 17, 1968 (P.L.1224, No.387), |

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| 1 | known as the Unfair Trade Practices and Consumer Protection |
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| 2 | Law, and is subject to the penalties under that act. |
| 3 | (d) EnforcementOnly the Attorney General or an |
| 4 | appropriate district attorney may commence an action to enforce |
| 5 | this section. |
| 6 | <u>§ 5510. Live adult entertainment establishment admission fee.</u> |
| 7 | (a) Imposition and remittance of feeA \$5 admission fee is |
| 8 | imposed for each entry by each customer admitted to a live adult |
| 9 | entertainment establishment. The live adult entertainment |
| 10 | establishment shall remit the admission fee to the Department of |
| 11 | <u>Revenue.</u> |
| 12 | (b) Duties of Secretary of RevenueThe Secretary of |
| 13 | Revenue shall prescribe the method of administration, payment, |
| 14 | collection and enforcement of the fee imposed under subsection |
| 15 | (a), in conformity with the provisions of the act of April 9, |
| 16 | 1929 (P.L.343, No.176), known as The Fiscal Code. The following |
| 17 | apply: |
| 18 | (1) The Secretary of Revenue shall forward 80% of the |
| 19 | revenue received from the fee to the fund under 18 Pa.C.S. § |
| 20 | 3033 (relating to Indecent Deceptive Trade Practices Fund). |
| 21 | (2) The Secretary of Revenue shall forward 20% of the |
| 22 | revenue received from the fee to the Department of Human |
| 23 | Services for use for victims of rape in accordance with the |
| 24 | provisions of section 2333 of the act of April 9, 1929 |
| 25 | (P.L.177, No.175), known as The Administrative Code of 1929. |
| 26 | (c) PurposeThe fee imposed under subsection (a) shall not |
| 27 | be content-based and shall be for the purpose of offsetting |
| 28 | secondary harmful effects and helping the Commonwealth bear the |
| 29 | costs of upholding community standards of decency and combating |
| 30 | sex-related offenses. |
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| 1 | (d) Other taxes and feesThe admission fee under |
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| 2 | subsection (a) is in addition to any other taxes or fees imposed |
| 3 | on the live adult entertainment establishment. |
| 4 | (e) A live adult entertainment establishment shall record |
| 5 | daily, in a manner prescribed by the Secretary of Revenue, the |
| 6 | number of customers admitted to the live adult entertainment |
| 7 | establishment. The following apply: |
| 8 | (1) The live adult entertainment establishment shall |
| 9 | maintain the records for the period required by the Secretary |
| 10 | of Revenue and make the records available for inspection and |
| 11 | audit on request by the Secretary of Revenue. |
| 12 | (2) The live adult entertainment establishment shall |
| 13 | file any report with the Department of Revenue in the manner |
| 14 | and containing the information required by the Secretary of |
| 15 | <u>Revenue.</u> |
| 16 | (3) The records and reports under this subsection shall |
| 17 | not contain the names or personal identification information |
| 18 | of any of the customers. |
| 19 | (f) Discretion of establishmentThis section does not |
| 20 | require a live adult entertainment establishment to impose a tax |
| 21 | on a customer of the live adult entertainment establishment. The |
| 22 | live adult entertainment establishment may determine the manner |
| 23 | in which the live adult entertainment establishment derives the |
| 24 | money required to pay the tax imposed under this section. |
| 25 | <u>§ 5511. Applicability.</u> |
| 26 | This chapter does not apply to: |
| 27 | (1) An occasional sale of an Internet-enabled device by |
| 28 | <u>a person that is not regularly engaged in the business of </u> |
| ~ ~ | |
| 29 | selling Internet-enabled devices. |

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| 1 <u>of this section.</u> | | |
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| 2 (3) Independent third-party routers that are not | | |
| 3 affiliated with an Internet service provider. | | |
| 4 (4) A retailer that is not subject to the jurisdiction | | |
| 5 <u>of this Commonwealth.</u> | | |
| 6 Section 2. Title 18 is amended by adding a section to read: | | |
| 7 <u>§ 3033. Indecent Deceptive Trade Practices Fund.</u> | | |
| 8 (a) EstablishmentThe Indecent Deceptive Trade Practices | | |
| 9 Fund is established as a special nonlapsing fund in the State | | |
| 10 <u>Treasury.</u> | | |
| 11 (b) PurposeThe fund shall enable the commission to | | |
| 12 provide grants to: | | |
| 13 (1) Carry out the purposes specified in section 3031 | | |
| 14 (relating to grants). | | |
| 15 (2) Promote the development throughout this Commonwealth | | |
| 16 of locally based and supported nonprofit programs for the | | |
| 17 <u>survivors of human trafficking and sex-related offenses and</u> | | |
| 18 to better enable the quality of services provided. | | |
| 19 (3) Empower government groups and nongovernment groups | | |
| 20 working to uphold community standards of decency, protect | | |
| 21 <u>children and strengthen families.</u> | | |
| 22 (4) Develop, expand, prevent or offset the costs of sex- | | |
| 23 related offenses, especially human trafficking or child | | |
| 24 <u>exploitation</u> . | | |
| 25 (5) A State agency, unit of local government, | | |
| 26 <u>nongovernment group or other person:</u> | | |
| 27 (i) For services to help women with substance abuse | | |
| 28 <u>disorders.</u> | | |
| 29 (ii) For counselors and victim advocates who are | | |
| 30 trained to assist victims of domestic violence and sexual | | |
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| 1 | abuse. |
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| 2 | (iii) For shelters for women, particularly those who |
| 3 | have been exposed to prostitution or sex trafficking. |
| 4 | (iv) For research-based organizations and |
| 5 | <u>universities.</u> |
| 6 | (v) For faith-based organizations assisting victims |
| 7 | of human trafficking or other sex offenses. |
| 8 | (vi) For child advocacy centers. |
| 9 | (vii) For organizations that provide legal advocacy |
| 10 | to abused, neglected or at-risk children. |
| 11 | (viii) For family therapists and counselors. |
| 12 | (ix) For scholarships for students who demonstrate |
| 13 | outstanding moral character, leadership or judgment. |
| 14 | (x) To prevent or improve services for victims of |
| 15 | <u>sexual assault.</u> |
| 16 | (xi) To support technology in rape crisis centers. |
| 17 | (xii) To conduct human trafficking enforcement |
| 18 | programs or uphold community standards of decency. |
| 19 | (xiii) For groups providing pro bono legal services |
| 20 | to victims of sex-related offenses. |
| 21 | (6) Meet the evolving needs of this Commonwealth |
| 22 | regarding the matters described in paragraphs (1), (2), (3), |
| 23 | <u>(4) and (5).</u> |
| 24 | (c) Sources of moneyMoney available to the fund shall |
| 25 | include: |
| 26 | (1) Money generated through the fee under 12 Pa.C.S. § |
| 27 | 5504(a)(1) (relating to filter deactivation fee). |
| 28 | (2) Money generated through the fee under 12 Pa.C.S. § |
| 29 | 5510(b)(1) (relating to live adult entertainment |
| 30 | <u>establishment admission fee).</u> |

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| 1 | (3) Appropriations, executive authorizations and |
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| 2 | transfers from the General Fund, special funds, Federal funds |
| 3 | and other sources of revenue, including gifts, donations and |
| 4 | bequests, made available to the fund. |
| 5 | (d) Administration |
| 6 | (1) The commission shall administer the fund, unless the |
| 7 | Attorney General has legitimate grounds to appoint a |
| 8 | <u>different administrator.</u> |
| 9 | (2) Money deposited into the fund may be used only by |
| 10 | the commission or the Attorney General's designee, if so |
| 11 | appointed, for grants for the purposes specified in |
| 12 | subsection (b), subject to the availability of money in the |
| 13 | <u>fund.</u> |
| 14 | (3) No administrative action shall prevent the deposit |
| 15 | of money into the fund in the fiscal year in which the money |
| 16 | is received. |
| 17 | (4) The fund may only be used for funding authorized |
| 18 | under this section. |
| 19 | (5) Money in the fund may not be transferred or diverted |
| 20 | to any other purpose by administrative action. |
| 21 | (6) Notwithstanding any other provision of law, any |
| 22 | balance in the fund remaining unspent at the end of a fiscal |
| 23 | year, including any interest accruing on investments and |
| 24 | deposits of the fund, shall be credited to the fund and shall |
| 25 | be carried forward into the subsequent fiscal year. |
| 26 | (7) All money deposited into the fund and the interest |
| 27 | the money accrues is appropriated to the commission on a |
| 28 | continuing basis for grants under this section. |
| 29 | (8) Administrative expenses regarding the operation of |
| 30 | the fund shall not exceed 10% of the money in the fund during |
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1 <u>a fiscal year.</u>

| 2 | (e) ReportsThe commission or the Attorney General's |
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| 3 | designee, if so appointed, shall annually evaluate activities |
| 4 | conducted under this section each year. The following apply: |
| 5 | (1) On or before February 15 of each year, the |
| 6 | commission or the Attorney General's designee, if so |
| 7 | appointed, shall submit an annual report containing the |
| 8 | evaluation. |
| 9 | (2) The report under this subsection shall be |
| 10 | transmitted to the Secretary of the Senate and the Chief |
| 11 | Clerk of the House of Representatives, who shall notify the |
| 12 | General Assembly that the report is available. |
| 13 | (3) The report under this subsection must include: |
| 14 | (i) The amount of fees received under 12 Pa.C.S. § |
| 15 | <u>5504(a)(1).</u> |
| 16 | (ii) The amount of fees received under 12 Pa.C.S. § |
| 17 | <u>5510(b)(1).</u> |
| 18 | (iii) The manner in which the money in the fund was |
| 19 | distributed through grants. |
| 20 | (iv) The manner in which each grant recipient used |
| 21 | the grant money. |
| 22 | (v) The amount and nature of administrative expenses |
| 23 | regarding the fund. |
| 24 | (f) RulesThe commission or the Attorney General's |
| 25 | designee, if so appointed, may by rule: |
| 26 | (1) Determine eligibility requirements for any grant |
| 27 | awarded under this section. |
| 28 | (2) Require a grant recipient to offer minimum services |
| 29 | for a period of time before receiving a grant and to continue |
| 30 | to offer minimum services during the grant period. |

| 1 | (3) Require a grant recipient to submit financial and |
|----|---|
| 2 | programmatic reports. |
| 3 | (g) DefinitionsAs used in this section, the following |
| 4 | words and phrases shall have the meanings given to them in this |
| 5 | subsection unless the context clearly indicates otherwise: |
| 6 | "Fund." The Indecent Deceptive Trade Practices Fund |
| 7 | established under this section. |
| 8 | "Nongovernment group." As follows: |
| 9 | (1) A nonprofit organization that is exempt from Federal |
| 10 | income taxation under section 501(c)(3) of the Internal |
| 11 | Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et |
| 12 | seq.) and whose primary purpose is to end human trafficking |
| 13 | and sexual violence in this Commonwealth through the |
| 14 | development and support of programs or services for the |
| 15 | prevention of human trafficking and sexual violence, outreach |
| 16 | programs and technical assistance to youth and rape crisis |
| 17 | centers working to prevent human trafficking and sexual |
| 18 | <u>violence.</u> |
| 19 | (2) The term includes an individual and a group that is |
| 20 | providing a program or service to uphold community standards |
| 21 | <u>of decency.</u> |
| 22 | Section 3. This act shall take effect in 180 days. |

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