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68th Legislature 2023 Drafter: Milly Allen, 406-444-9280 HB0349.001.002

| 1 | HOUSE BILL NO. 349 | | |
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| 2 | INTRODUCED BY L. SHELDON-GALLOWAY, J. SCHILLINGER, B. MITCHELL, T. MOORE, G. KMETZ | | |
| 3 | | | |
| 4 | A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN OBSCENITY FILTER BE ENABLED BY | | |
| 5 | DEFAULT ON ELECTRONIC DEVICES SOLD AND ACTIVATED IN THE STATE; AMENDING SECTION 45-8- | | |
| 6 | 206, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE." | | |
| 7 | | | |
| 8 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: | | |
| 9 | | | |
| 10 | NEW SECTION. Section 1. Short title. [Sections 1 through 6] may be cited as the "Children's Default | | |
| 11 | to Safety Act". | | |
| 12 | | | |
| 13 | NEW SECTION. Section 2. Definitions. For the purposes of [sections 1 through 6], the following | | |
| 14 | definitions apply: | | |
| 15 | (1) "Activate" means the process of powering on an electronic device and associating it with a new | | |
| 16 | user account. | | |
| 17 | (2) "Electronic device" means a tablet or a smart phone. | | |
| 18 | (3) "Internet" has the same meaning as provided in 2-17-551. | | |
| 19 | (4) "Manufacturer" means a person that is engaged in the business of manufacturing an electronic | | |
| 20 | device and has a commercial registered agent as defined in 35-7-102. | | |
| 21 | (5) "Obscenity filter" means software installed on an electronic device that is capable of preventing | | |
| 22 | the electronic device from accessing or displaying obscenity, pursuant to 45-8-201, through the internet or any | | |
| 23 | applications owned and controlled by the manufacturer and installed on the device. | | |
| 24 | (6) "Smart phone" means an electronic device that combines a cell phone with a hand-held | | |
| 25 | computer, typically offering internet access, data storage, text, and e-mail capabilities. | | |
| 26 | (7) "Tablet" means an electronic device equipped with a mobile operating system, touchscreen | | |
| 27 | display, and rechargeable battery, typically offering internet access. | | |



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| 2 | NEW S | SECTION. Section 3. Obscenity filter required. A manufacturer shall manufacture an | |
| 3 | electronic devi | ce that, when activated in the state, automatically enables an obscenity filter that: | |
| 4 | (1) | prevents the user from accessing or downloading material that is obscene to minors on mobile | |
| 5 | data networks, | applications owned and controlled by the manufacturer, and wired or wireless internet networks | |
| 6 | (2) | notifies a user of the electronic device when the obscenity filter blocks the device from | |
| 7 | downloading an application or accessing a website; | | |
| 8 | (3) | gives a user with a passcode the opportunity to unblock a filtered application or website; and | |
| 9 | (4) | reasonably precludes a user other than a user with a passcode the opportunity to deactivate, | |
| 10 | modify, or uninstall the obscenity filter. | | |
| 11 | | | |
| 12 | NEW S | SECTION. Section 4. Liability limitations. (1) A manufacturer of an electronic device is | |
| 13 | liable if on activation of an electronic device sold and activated in the state: | | |
| 14 | (a) | (i) the electronic device does not enable an obscenity filter that prevents the display of obscene | |
| 15 | material to minors in such a way that minors will be able to view the material; or | | |
| 16 | (ii) | the manufacturer knowingly or in reckless disregard provides the passcode to a minor to | |
| 17 | unblock the obscenity filter; and | | |
| 18 | (b) | the electronic device displays or disseminates obscene material to a minor, including any | |
| 19 | performance that is obscene to minors. | | |
| 20 | (2) | Nothing in [sections 1 through 6] affects any private right of action existing under other law, | |
| 21 | including contract. | | |
| 22 | (3) | This section does not apply to a manufacturer that makes a good faith effort to provide a device | |
| 23 | that, on activation of the device in the state, automatically enables a generally accepted and commercially | | |
| 24 | reasonable method of filtration in accordance with [sections 1 through 6] and industry standards. | | |
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[section 4], the court may award the plaintiff actual damages.

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NEW SECTION. Section 5. Damages. (1) If a court finds that a manufacturer is liable pursuant to

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1 (2) When the amount of actual damages is difficult to ascertain due to the nature of the injury, the 2 court, in its discretion, may award liquidated damages in the amount of \$10,000 to the injured party. 3 (3) A class action may be brought under [sections 1 through 6] in accordance with state law. 4 5 NEW SECTION. Section 6. Civil action for enforcement -- damages. (1) (a) Except as provided in subsection (8), a manufacturer that is found liable under [section 4] is liable for civil penalties not to exceed 6 7 \$10,000 per violation, plus filing fees and attorney fees, in addition to any other penalty established by law. 8 (b) The civil penalty may be assessed and recovered in a civil action brought in any court of 9 competent jurisdiction. For purposes of assessing a penalty under this subsection (1), a manufacturer is considered to 10 (c) 11 have committed a separate violation for each electronic device sold and activated in the state. 12 The total civil penalty assessed in a civil action brought under this section may not exceed \$50,000 regardless of how many separate violations the plaintiff establishes. 13 14 (2) (a) A plaintiff shall prove and a court shall find, by clear and convincing evidence, that a manufacturer manufactured a device on or after July 1, 2023, and that it was activated in violation of [section 4]. 15 16 (b) The plaintiff shall prove all other elements by a preponderance of the evidence. (3) For each violation, the court shall specify the amount of the: 17 18 civil penalty; (a) 19 (b) filing fees; and 20 (c) attorney fees. 21 (4) In assessing the amount of a civil penalty for a violation of [sections 1 through 6], the court 22 shall consider the: 23 nature and extent of the violation; (a) 24 (b) number and severity of the violations; 25 (c) economic effect of the penalty on the violator; 26 (d) good faith measures the violator took to comply with [sections 1 through 6]; 27 timing of the measures the violator took to comply with [sections 1 through 6]; (e)



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| 1 | (f) | willfulness of the violator's misconduct; | |
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| 2 | (g) | deterrent effect that the imposition of the penalty would have on both the violator and the | |
| 3 | regulated community as a whole; and | | |
| 4 | (h) | other factors determined by the court to be pertinent. | |
| 5 | (5) | Actions pursuant to this section may be brought by the attorney general in the name of the | |
| 6 | people of the state or by a private individual in accordance with subsection (6). | | |
| 7 | (6) | A private individual may bring an action in the public interest to establish liability under [section | |
| 8 | 4] if: | | |
| 9 | (a) | the individual has served the alleged violator and the attorney general a notice of an alleged | |
| 10 | violation of subsection (1); and | | |
| 11 | (b) | the attorney general has not provided a letter to the noticing party within 45 days after the day | |
| 12 | on which the attorney general receives the notice of an alleged violation indicating that: | | |
| 13 | (i) | an action is currently being pursued or will be pursued by the attorney general regarding the | |
| 14 | violation; or | | |
| 15 | (ii) | the attorney general believes that there is no merit to the action. | |
| 16 | (7) | If a lawsuit is commenced, the plaintiff may include additional violations in the claim that are | |
| 17 | discovered through the discovery process. | | |
| 18 | (8) | A manufacturer who makes a good faith effort to install and enable on activation in the state a | |
| 19 | generally accepted and commercially reasonable method of filtration in accordance with [sections 1 through 6] | | |
| 20 | and industry standards is not liable under [section 4]. | | |
| 21 | | | |
| 22 | Section | on 7. Section 45-8-206, MCA, is amended to read: | |
| 23 | "45-8- | 206. Public display or dissemination of obscene material to minors. (1) A person having | |
| 24 | custody, contro | ol, or supervision of any commercial establishment or newsstand may not knowingly or | |
| 25 | purposely: | | |
| 26 | (a) | display obscene material to minors in such a way that minors, as a part of the invited public, will | |
| 27 | be able to view | v the material. However, a person is considered not to have displayed obscene material to minors | |



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1 if the material is kept behind devices commonly known as blinder racks so that the lower two-thirds of the 2 material is not exposed to view or other reasonable efforts were made to prevent view of the material by a 3 minor.

- (b) sell, furnish, present, distribute, or otherwise disseminate to a minor or allow a minor to view, with or without consideration, any obscene material; or
- present to a minor or participate in presenting to a minor, with or without consideration, any (c) performance that is obscene to minors.
- (2) A person who is not a minor's parent or legal guardian may not provide a minor with the passcode to remove the obscenity filter on an electronic device, as those terms are defined in [section 1].
- (2)(3) A person does not violate this section if:
 - (a) the person had reasonable cause to believe the minor was 18 years of age. "Reasonable cause" includes but is not limited to being shown a draft card, driver's license, marriage license, birth certificate, educational identification card, governmental identification card, tribal identification card, or other official or apparently official card or document purporting to establish that the person is 18 years of age;
 - the person is, or is acting as, an employee of a bona fide public school, college, or university or (b) a retail outlet affiliated with and serving the educational purposes of a school, college, or university and the material or performance was disseminated in accordance with policies approved by the governing body of the institution;
 - (c) the person is an officer, director, trustee, or employee of a public library or museum and the material or performance was acquired by the library or museum and disseminated in accordance with policies approved by the governing body of the library or museum;
- an exhibition in a state of nudity is for a bona fide scientific or medical purpose for a bona fide (d) school, library, or museum; or
- (e) the person is a retail sales clerk with no financial interest in the material or performance or in 25 the establishment displaying or selling the material or performance."
 - NEW SECTION. Section 8. Effective date. [This act] is effective January 1, 2024.



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NEW SECTION. Section 9. Codification instruction. [Sections 1 through 6] are intended to be codified as an integral part of Title 27, chapter 1 and the provisions of Title 27, chapter 1 apply to [sections 1 through 6].

NEW SECTION. Section 10. Applicability. [This act] applies to electronic devices manufactured in or outside the state on or after July 1, 2023, and sold and activated in the state on or after January 1, 2024.

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