



## NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT Senate Bill 579

AMENDMENT NO. <u>A1</u> (to be filled in by Principal Clerk)

S579-ACExfr-67 [v.10]

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Amends Title [YES] First Edition Date \_\_\_\_\_,2023

Senator Grafstein

1 2 2	moves to amend the bill on page 1, line 2, by inserting the following at the end of the line before the period:					
3 4 5	"AND TO REGULATE MATERIALS THAT ARE HARMFUL TO MINORS ON THE INTERNET AND TO ESTABLISH A PRIVILEGE TAX ON THE DISTRIBUTION OF					
6 7	MATERIALS THAT ARE HARMFUL TO MINORS";					
8	and on page 1, lines 8-9, by rewriting the lines to read:					
9						
10	"SECTION 1.5 The General Statues are amended by adding a new Chapter to read:					
11	" <u>Chapter 75F.</u>					
12	"Regulating Harmful Materials on the Internet.					
13	"§ G.S. 75F-1 Internet access; material harmful to minors; age verification; civil liability.					
14	(a) <u>A commercial entity that intentionally or knowingly publishes or distributes material</u>					
15	harmful to minors on the internet from a website that contains a substantial portion of such					
16	material shall verify that any person attempting to access material harmful to minors is at least					
17	18 years of age. Verification may be made by either of the following:					
18	(1) By using a commercially available database that is regularly used by					
19	businesses or governmental entities for the purposes of age and identity					
20	verification.					
21 22	(2) <u>Through any other commercially reasonable method of age and identity</u> verification.					
23	(b) <u>A commercial entity that violates this section is subject to civil liability for damages</u>					
24	resulting from a minor's access to material harmful to minors, including reasonable attorney fees					
25	and costs.					
26	(c) This section does not impose an obligation or a liability on a provider or user of an					
27	interactive computer service on the internet.					
28	(d) For the purposes of this section:					
29	(1) "Interactive computer service" means any information service, system or					
30	access software provider that provides or enables computer access by multiple					
31	users to a computer server, including a service or system that provides access					





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1		to the	e internet and systems operated or services offered by libraries or		
2		educa	tional institutions.		
3	<u>(2)</u>	"Inter	net" has the meaning prescribed by G.S. 14-208.6.		
4	$\overline{(3)}$	"Mate	"Material harmful to minors" means any description or representation of		
5		nudity	nudity, sexual conduct, sexual excitement, or sadomasochistic abuse that		
6		meets	meets both of the following:		
7		<u>a.</u>			
8		_	principally consists of descriptions of actual, simulated, or animated		
9			display or depiction of any of the following, in a manner patently		
10			offensive with respect to minors:		
11			1. Pubic hair, anus, vulva, genitals, nipple of the female breast,		
12			testicles, penis, scrotum, or labia.		
13			2. Touching, caressing, or fondling of nipples, breasts, buttocks,		
14			anuses, or genitals.		
15			3. <u>Sexual intercourse, masturbation, sodomy, bestiality, oral</u>		
16			copulations, flagellation, excretory functions, exhibitions, or		
17			any other sexual act.		
18	c. Is, when taken as a whole, lacking in serious literary, artisti		Is, when taken as a whole, lacking in serious literary, artistic,		
19		educational, political, or scientific value for minors.			
20	<u>(4)</u>	<u>As use</u>	As used in this section, "Substantial Portion" means that more than thirty-three		
21		and of	ne-third percent (33.33 %) of the total material on a website is explicit		
22			l material harmful to minors.		
23			<u>n to Children Task Force.</u>		
24			Created. – There is created the Prevent Harm to Children Task Force		
25			Department of Health and Human Services (DHHS).		
26			Chair of the Task Force shall be the Secretary of DHHS.		
27			Appointments – All members of the Task Force are voting members,		
28			d should represent all major geographic areas of North Carolina to the		
29			cable. There shall be twenty-one (21) members of the Task Force, the		
30	Chair, and the fo	-	twenty (20) members, who shall be appointed by the Governor:		
31		<u>(1)</u>	Five members of the medical field, three of which shall be		
32			pediatricians.		
33		<u>(2)</u>	Five licensed clinical child therapists, who are psychologists or		
34			licensed clinical social workers. Two of these therapists shall have		
35			specialization in treating pornography addiction.		
36		<u>(3)</u>	Two members of child advocacy groups.		
37		<u>(4)</u>	One member from a law enforcement agency.		
38		<u>(5)</u>	One juvenile court counselor.		
39		<u>(6)</u>	Six members of the general public who are citizens of North Carolina.		
40			Task Force shall study the harm of pornography on minors and make		
41	recommendations about how the State of North Carolina can address this harm and protect the				
42	youth of the State. The Task Force shall create reports summarizing its findings and				
43	recommendations and submit these reports pursuant to subsection (e) of this section.				



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1	(e) <u>Reports. – The Task Force shall submit its report to the Governor and the General</u>		
2	Assembly Joint Legislative Oversight Committee on Health And Human Services. The first		
3	report shall be submitted within 18 months of the creation of the task force. Thereafter, the Task		
4	Force shall submit an annual report each year before March 1. The report shall contain at least a		
5	summary of the conclusions and recommendations for each of the Task Force's duties, as well as		
6	any other recommendations for changes to any law, rule, or policy that it has determined will		
7	promote the safety and well-being of minors. Any recommendations of changes to law, rule, or		
8	policy shall be accompanied by specific legislative or policy proposals.		
9	(f) <u>Terms and Vacancies – Terms of all members of the task force, other than the Chair,</u>		
10	shall be two years. Vacancies in the appointed membership shall be filled by appointment of the		
11	Governor."		
12	SECTION 1.6 Chapter 105 of the General Statutes is amended by adding a new		
13	Article to read:		
14	" <u>Article 2F.</u>		
15	"Privilege Tax on Distributing Harmful Materials on the Internet.		
16	" <u>§ 105-113.500. Definitions.</u>		
17	The definitions of G.S. 75F-1 apply to this Article.		
18	"§ 105-113.501. Privilege tax on Distributing Harmful Materials on the Internet.		
19	(a) Tax. – A privilege tax at the rate of six and nine tenths percent $(6.9\%)$ is imposed on		
20	an operator of a website that is subject to G.S. 75F-1 (an "operator") for the privilege of doing		
21	business in this State.		
22	(b) Determination of Value. – The value of the privilege conferred upon the operator is		
23	the gross revenue of the operator as defined by this subsection. No income, revenue, or expenses		
24	of the operator other than those specified in this subsection are used to determine the value of the		
25	privilege conferred upon the operator. The value of the privilege conferred upon the operator is		
26	the gross revenue of the website operated by the operator generated by ad sales and subscription		
27	fees from within the state of North Carolina.		
28	(c) <u>Return. – Taxes levied by this Article are due when a return is required to be filed.</u>		
29	The return is due on a monthly basis. A monthly return is due by the twentieth day of the month		
30	following the calendar month covered by the return.		
31	(d) <u>Records. – A person who is required to file a return under this Article must keep a</u>		
32	record of all documents used to determine information the person provides in a return.		
33	" <u>§ 105-113.502. Use of tax proceeds.</u>		
34	The taxes collected under this Article shall be distributed to the North Carolina Department		
35	of Health and Human Services (DHHS) to be used for youth mental health programs. DHHS		
36	shall consult with and work in partnership with the North Carolina Department of Public		
37	Instruction in developing and implementing the youth mental health programs funded by this		
38	section."		
39	<b>SECTION 2.</b> Section 1 of this act becomes effective December 1, 2023, and applies		
40	to offenses committed on or after that date. The remainder of this act is effective when it becomes		
41	law.".		



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SIGNED _		
	Amendment Sponsor	
SIGNED _		_
	Committee Chair if Senate Committee Amendment	
ADOPTED	FAILED	TABLED