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1. SOCIAL MEDIA USAGE AMENDMENTS, 2023 Ut. HB 311

Client/Matter: -None-

Search Terms: (("Protecting Our Kids" w/10 "social media" w/5 addiction) OR ("SB 976" OR "California" w/5 "minor" OR "child privacy") OR ("Florida" w/10 "Online Protections for Minors") OR ("Utah Social Media Regulation Act")) AND (platform! OR recommender! OR algorithm!) AND ("court" OR "litigation" OR "enforcement" OR "order")

Search Type: Terms and Connectors

Narrowed by:

Content Type Narrowed by

US Statutes and Legislation All Jurisdictions: Utah, Florida, California, International

Enacted, March 23, 2023

Reporter

2023 Ut. HB 311; 2023 Utah Laws 477; 2023 Ut. Ch. 477; 2023 Ut. ALS 477

UTAH ADVANCE LEGISLATIVE SERVICE > UTAH 65TH LEGISLATURE - 2023 GENERAL ASSEMBLY > > HOUSE BILL 311

Notice

Added: Text highlighted in green

Deleted: Red text with a strikethrough

Digest

Highlighted Provisions:

This bill:

- defines terms:
- enacts the Utah Social Media Regulation Act,
- prohibits a social media company from using a design or feature that causes a minor to have an addiction to the company's social media *platform*;
- grants the Division of Consumer Protection <u>enforcement</u> and auditing authority to enforce requirements under the act:
- authorizes a private right of action to collect attorney fees and damages from a social media company for harm incurred by a minor's use of the company's social media *platform*;
- creates a rebuttable presumption that harm and causation occurred in some circumstances;
- prohibits certain waivers;
- provides a severability clause; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

13-2-1 (Superseded 12/31/23), as last amended by Laws of Utah 2022, Chapter 201

13-2-1 (Effective 12/31/23), as last amended by Laws of Utah 2022, Chapters 201, 462

ENACTS:

13-63-101, Utah Code Annotated 1953

13-63-201, Utah Code Annotated 1953

13-63-301, Utah Code Annotated 1953

13-63-401, Utah Code Annotated 1953

13-63-501, Utah Code Annotated 1953

Synopsis

LONG TITLE

General Description:

This bill regulates social media companies and the use and design of social media platforms.

Text

Be it enacted by the Legislature of the state of Utah:

Section 1. Section *13-2-1* (Superseded 12/31/23) is amended to read:

TITLE 13. COMMERCE AND TRADE

- 13-2-1 (Superseded 12/31/23). Consumer protection division established Functions.
 - (1) There is established within the Department of Commerce the Division of Consumer Protection.
 - **(2)** The division shall administer and enforce the following:
 - (a) Chapter 5, Unfair Practices Act;
 - (b) Chapter 10a, Music Licensing Practices Act;
 - (c) Chapter 11, Utah Consumer Sales Practices Act;
 - (d) Chapter 15, Business Opportunity Disclosure Act;
 - (e) Chapter 20, New Motor Vehicle Warranties Act;
 - (f) Chapter 21, Credit Services Organizations Act;
 - (g) Chapter 22, Charitable Solicitations Act;
 - (h) Chapter 23, Health Spa Services Protection Act;
 - (i) Chapter 25a, Telephone and Facsimile Solicitation Act;
 - (j) Chapter 26, Telephone Fraud Prevention Act;
 - (k) Chapter 28, Prize Notices Regulation Act;

- (I) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter Transaction Information Act;
- (m) Chapter 34, Utah Postsecondary Proprietary School Act;
- (n) Chapter 34a, Utah Postsecondary School State Authorization Act;
- (o) Chapter 41, Price Controls During Emergencies Act;
- (p) Chapter 42, Uniform Debt-Management Services Act;
- (q) Chapter 49, Immigration Consultants Registration Act;
- (r) Chapter 51, Transportation Network Company Registration Act;
- (s) Chapter 52, Residential Solar Energy Disclosure Act;
- (t) Chapter 53, Residential, Vocational and Life Skills Program Act;
- (u) Chapter 54, Ticket Website Sales Act;
- (v) Chapter 56, Ticket Transferability Act; and
- (w) Chapter 57, Maintenance Funding Practices Act.; and
- (x) Chapter 63, Utah Social Media Regulation Act.

Section 2. Section 13-2-1 (Effective 12/31/23) is amended to read:

13-2-1 (Effective 12/31/23). Consumer protection division established — Functions.

- (1) There is established within the Department of Commerce the Division of Consumer Protection.
- **(2)** The division shall administer and enforce the following:
 - (a) Chapter 5, Unfair Practices Act;
 - (b) Chapter 10a, Music Licensing Practices Act;
 - (c) Chapter 11, Utah Consumer Sales Practices Act;
 - (d) Chapter 15, Business Opportunity Disclosure Act;
 - (e) Chapter 20, New Motor Vehicle Warranties Act;
 - (f) Chapter 21, Credit Services Organizations Act;
 - (g) Chapter 22, Charitable Solicitations Act;
 - (h) Chapter 23, Health Spa Services Protection Act;
 - (i) Chapter 25a, Telephone and Facsimile Solicitation Act;
 - (j) Chapter 26, Telephone Fraud Prevention Act;
 - (k) Chapter 28, Prize Notices Regulation Act;
 - (I) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter Transaction Information Act;
 - (m) Chapter 34, Utah Postsecondary Proprietary School Act;
 - (n) Chapter 34a, Utah Postsecondary School State Authorization Act;
 - (o) Chapter 41, Price Controls During Emergencies Act;
 - (p) Chapter 42, Uniform Debt-Management Services Act;
 - (q) Chapter 49, Immigration Consultants Registration Act;

- (r) Chapter 51, Transportation Network Company Registration Act;
- (s) Chapter 52, Residential Solar Energy Disclosure Act;
- (t) Chapter 53, Residential, Vocational and Life Skills Program Act;
- (u) Chapter 54, Ticket Website Sales Act;
- (v) Chapter 56, Ticket Transferability Act;
- (w) Chapter 57, Maintenance Funding Practices Act; and
- (x) Chapter 61, Utah Consumer Privacy Act.; and
- (y) Chapter 63, Utah Social Media Regulation Act.

Section 3. Section <u>13-63-101</u> is enacted to read:

CHAPTER 63. UTAH SOCIAL MEDIA REGULATION ACT

Part 1. General Requirements

13-63-101. Definitions.

As used in this chapter:

- (1) "Account holder" means a person who has, or opens, an account or profile to use a social media company's *platform*.
- (2) "Addiction" means use of a social media platform that:
 - (a) indicates the user's substantial preoccupation or obsession with, or the user's substantial difficulty to cease or reduce use of, the social media *platform*; and
 - (b) causes physical, mental, emotional, developmental, or material harms to the user.
- (3) "Director" means the director of the Division of Consumer Protection created in Section 13-2-1.
- (4) "Division" means the Division of Consumer Protection created in Section 13-2-1.
- (5) "Educational entity" means a public school, an LEA, a charter school, the Utah Schools for the Deaf and Blind, a private school, a denominational school, a parochial school, a community college, a state college, a state university, or a nonprofit private postsecondary educational institution.
- (6)
- (a) "Interactive computer service" means an information service, information system, or information access software provider that:
 - (i) provides or enables computer access by multiple users to a computer server; and
 - (ii) provides access to the Internet.
- (b) "Interactive computer service" includes:
 - (i) a web service;
 - (ii) a web system;
 - (iii) a website;
 - (iv) a web application; or
 - (v) a web portal.
- (7) "Minor" means an individual who is under the age of 18 and:

- (a) has not been emancipated as that term is defined in Section 80-7-102; or
- (b) has not been married.
- (8) "Post" means content that an account holder makes available on a social media *platform* for other account holders or users to view.
- (9) "Social media company" means a person or entity that:
 - (a) provides a social media <u>platform</u> that has at least 5,000,000 account holders worldwide; and
 - (b) is an interactive computer service.

(10)

- (a) "Social media *platform*" means an online forum that a social media company makes available for an account holder to:
 - (i) create a profile;
 - (ii) upload posts;
 - (iii) view the posts of other account holders; and
 - (iv) interact with other account holders or users.
- (b) "Social media *platform*" does not include an online service, website, or application:
 - (i) where the predominant or exclusive function is:
 - (A) electronic mail;
 - **(B)** direct messaging consisting of text, photos, or videos that are sent between devices by electronic means, where messages are:
 - (I) shared between the sender and the recipient;
 - (II) only visible to the sender and the recipient; and
 - (III) are not posted publicly;
 - (C) a streaming service that:
 - (I) provides only licensed media in a continuous flow from the service, website, or application to the end user; and
 - (II) does not obtain a license to the media from a user or account holder by agreement to its terms of service;
 - (D) news, sports, entertainment, or other content that is preselected by the provider and not user generated, and any chat, comment, or interactive functionality that is provided incidental to, directly related to, or dependent upon provision of the content;
 - **(E)** online shopping or e-commerce, if the interaction with other users or account holders is generally limited to:
 - (I) the ability to upload a post and comment on reviews;
 - (II) the ability to display lists or collections of goods for sale or wish lists; and
 - (III) other functions that are focused on online shopping or e-commerce rather than interaction between users or account holders;
 - **(F)** interactive gaming, virtual gaming, or an online service, that allows the creation and uploading of content for the purpose of interactive gaming, edutainment, or associated entertainment, and the communication related to that content;

- (G) photo editing that has an associated photo hosting service, if the interaction with other users or account holders is generally limited to liking or commenting;
- (H) a professional creative network for showcasing and discovering artistic content, if the content is required to be non-pornographic;
- (I) single-purpose community groups for public safety if:
 - (I) the interaction with other users or account holders is generally limited to that single purpose; and
 - (II) the community group has guidelines or policies against illegal content;
- (J) providing career development opportunities, including professional networking, job skills, learning certifications, and job posting and application services;
- (K) business to business software;
- (L) a teleconferencing or videoconferencing service that allows reception and transmission of audio and video signals for real time communication;
- (M) cloud storage;
- (N) shared document collaboration;
- (O) cloud computing services, which may include cloud storage and shared document collaboration;
- (P) providing access to or interacting with data visualization <u>platforms</u>, libraries, or hubs;
- (Q) to permit comments on a digital news website, if the news content is posted only by the provider of the digital news website;
- (R) providing or obtaining technical support for a *platform*, product, or service;
- (S) academic or scholarly research; or
- (T) genealogical research; or
- (ii) where:
 - (A) the majority of the content that is posted or created is posted or created by the provider of the online service, website, or application; and
 - (B) the ability to chat, comment, or interact with other users is directly related to the provider's content;
- (iii) that is a classified ad service that only permits the sale of goods and prohibits the solicitation of personal services; or
- (iv) that is used by and under the direction of an educational entity, including:
 - (A) a learning management system;
 - (B) a student engagement program; and
 - (C) a subject or skill-specific program.
- (11) "User" means a person who has access to view all, or some of, the posts on a social media *platform*, but is not an account holder.
- (12)
 - (a) "Utah account holder" means a person who is a Utah resident and an account holder.
 - (b) "Utah account holder" includes a Utah minor account holder.

- (13) "Utah minor account holder" means a Utah account holder who is a minor.
- (14) "Utah resident" means an individual who currently resides in Utah.

Section 4. Section <u>13-63-201</u> is enacted to read:

Part 2. Social Media Design Regulations

13-63-201. Social media platform design regulations — Enforcement and auditing authority — Penalties.

- (1) Beginning March 1, 2024:
 - (a) the division shall administer and enforce the provisions of this section; and
 - (b) the division may audit the records of a social media company in <u>order</u> to determine compliance with the requirements of this section or to investigate a complaint, including a random sample of a social media company's records and other audit methods.
- (2) Beginning March 1, 2024, a social media company shall not use a practice, design, or feature on the company's social media <u>platform</u> that the social media company knows, or which by the exercise of reasonable care should know, causes a Utah minor account holder to have an addiction to the social media <u>platform</u>.
- (3) Beginning March 1, 2024:
 - (a) Subject to Subsection (3)(b), a social media company is subject to:
 - (i) a civil penalty of \$250,000 for each practice, design, or feature shown to have caused addiction; and
 - (ii) a civil penalty of up to \$2,500 for each Utah minor account holder who is shown to have been exposed to the practice, design, or feature found to have caused addiction under Subsection (3)(a)(i).
 - (b) A social media company shall not be subject to a civil penalty for violating this section if the social media company, as an affirmative defense, demonstrates that the social media company:
 - (i) instituted and maintained a program of at least quarterly audits of the social media company's practices, designs, and features to detect practices, designs, or features that have the potential to cause or contribute to the addiction of a minor user; and
 - (ii) corrected, within 30 days of the completion of an audit described in Subsection (3)(b)(i), any practice, design, or feature discovered by the audit to present more than a de minimus risk of violating this section.
 - (c) In a <u>court</u> action by the division to enforce this section, the <u>court</u> may, in addition to a civil penalty:
 - (i) declare that the act or practice violates a provision of this section;
 - (ii) issue an injunction for a violation of this section;
 - (iii) award actual damages to an injured purchaser or consumer; and
 - (iv) award any other relief that the court deems reasonable and necessary.
- (4) Nothing in this section may be construed to impose liability for a social media company for any of the following:
 - (a) content that is generated by an account holder, or uploaded to or shared on the **platform** by an account holder, that may be encountered by another account holder;

- (b) passively displaying content that is created entirely by a third party;
- (c) information or content for which the social media company was not, in whole or in part, responsible for creating or developing; or
- (d) any conduct by a social media company involving a Utah minor account holder who would otherwise be protected by federal or Utah law.
- (5) If a <u>court</u> of competent jurisdiction grants judgment or injunctive relief to the division, the <u>court</u> shall award the division:
 - (a) reasonable attorney fees;
 - (b) court costs; and
 - (c) investigative fees.
- (6) Nothing in this section may be construed to negate or limit a cause of action that may have existed or exists against a social media company under the law as it existed before the effective date of this section.
- (7) All money received for the payment of a fine or civil penalty imposed under this section shall be deposited into the Consumer Protection Education and Training Fund established in Section 13-2-8.

Section 5. Section *13-63-301* is enacted to read:

Part 3. Harm to a Minor by a Social Media Company — Private Right of Action

- 13-63-301. Private right of action for harm to a minor Rebuttable presumption of harm and causation.
 - (1) Beginning March 1, 2024, a person may bring an action under this section against a social media company to recover damages incurred after March 1, 2024 by a Utah minor account holder for any addiction, financial, physical, or emotional harm suffered as a consequence of using or having an account on the social media company's social media *platform*.
 - (2) A suit filed under the authority of this section shall be filed in the district <u>court</u> for the district in which the Utah minor account holder resides.
 - (3) Notwithstanding Subsection (4), if a <u>court</u> finds that a Utah minor account holder has been harmed as a consequence of using or having an account on the social media company's social media **platform**, the minor seeking relief under this section is entitled to:
 - (a) an award of reasonable attorney fees and court costs; and
 - (b) an amount equal to the greater of:
 - (i) \$2,500 per each incident of harm; or
 - (ii) actual damages for addiction, financial, physical, and emotional harm incurred by the person bringing the action, if the <u>court</u> determines that the harm is a direct consequence of the violation or violations.
 - (4) If a Utah minor account holder seeking recovery of damages under this section is under the age of 16, there shall be a rebuttable presumption that the harm actually occurred and that the harm was a caused as a consequence of using or having an account on the social media company's social media platform.

13-63-401. Waiver prohibited.

A waiver or limitation, or a purported waiver or limitation, of any of the following is void as unlawful, is against public policy, and a <u>court</u> or arbitrator may not enforce or give effect to the waiver, notwithstanding any contract or choice-of-law provision in a contract:

- (1) a protection or requirement provided under this chapter;
- (2) the right to cooperate with the division or to file a complaint with the division;
- (3) the right to a private right of action as provided under this chapter; or
- (4) the right to recover actual damages, statutory damages, civil penalties, costs, or fees as allowed by this chapter.

Section 7. Section *13-63-501* is enacted to read:

Part 5. Severability

13-63-501. Severability.

If any provision of this chapter or the application of any provision to any person or circumstance is held invalid by a final decision of a <u>court</u> of competent jurisdiction, the remainder of this chapter shall be given effect without the invalid provision or application. The provisions of this chapter are severable.

Section 8. Effective date.

- (1) Except as provided in Subsection (2), this bill takes effect on May 3, 2023.
- (2) The actions affecting Section 13-2-1 (Effective 12/31/2023) take effect on December 31, 2023.

History

Approved by the Governor March 23, 2023

Effective date: May 3, 2023

Sponsor

Teuscher

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