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Platform Penalties for Victim Services
Report for the Law Enforcement and Criminal Justice Interim Committee

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Office of
UTAH FOR RATIONAL SEX OFFENSE LAWS

Digest of
Platform Penalties for Victim Services
Report to the LECJ Interim Committee

The proposal. Utah collected $5 million from Pornhub's parent company over child sexual abuse material and nonconsensual content, and none of it is designated for victims. Utah will also receive $212 million over ten years from Meta's youth-safety settlement, with no announced share for victim services. UTRSOL proposes routing platform penalties like these to victim services as a supplement to base appropriations. It adds no fee on individuals and does not compete with restitution owed to specific victims.

What the state's own study shows

- Utah's federal VOCA awards fell 39% from FY2023 to FY2025. The Legislature responded: state funding rose 151% and total funding grew 38% in real terms.
- The study calls FY2025 a baseline that "will require continued state investment," and calls for "diversification, not merely substitution." System-based advocacy remains 86% federally funded.
- Dedicated money works: state funding for the Utah Sexual Assault Program grew from $0 to $5.5 million, and SANE coverage grew from 5 to 14 counties.

Four ways to route it

Each option stands alone, and together they recover what Utah has already collected, direct the new Meta proceeds, change where future penalties go and shape the next settlement.

Option	How it works	Vehicle
A. One-time appropriation	An amount equal to the Aylo proceeds to the Victim Services Restricted Account or Reparations	2027 appropriations
B. Meta proceeds	A defined share of annual payments for children and families harmed online	Appropriations, subject to use terms
C. Redirect the year-end transfer	Amend §13-2-109(4) so the consumer-protection fund's excess over $1M goes to victim services, not the General Fund	One-line amendment
D. Settlement terms	Designate a victim-services share in future settlements, such as any Snap recovery	AG and Division; no statute

Precedent. The Legislature made this choice once already. Under H.B. 154 (2025), the state's share of punitive damages now goes to victim services instead of the General Fund (§78B-8-201(3)(j)). Option C applies the same rule to consumer-protection penalties.

Why not new fees on offenders. Per-conviction and inmate fees draw on the same limited ability to pay as restitution, rely on the kind of penalty revenue that is already volatile, and in Pennsylvania's H.B. 2443 grew in scope during passage. The study recommends none of them.

Recommendations to the committee

These steps start with what is already certain and need no new fees, accounts or programs.

1. Ask the Legislative Fiscal Analyst to confirm where the Aylo payment went and how much moved to the General Fund in FY2026.
2. Open a bill file for the §13-2-109(4) amendment, or coordinate it with Rep. Ivory's study implementation bill, and conform the "Restricted Fund"/"Restricted Account" name.
3. Recommend a one-time appropriation equal to the Aylo proceeds, and request the Meta settlement's use terms.
4. Keep base funding first: pair this source with the study's recommended floor on real dollar allocations, reported through its Appendix B framework.

Disclosure: several options raised at the September 30 VSC meeting would place new fees on people convicted of registrable sex offenses; UTRSOL offers this as an alternative.

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Law Enforcement and Criminal Justice Interim Committee, Utah State Legislature
Utah for Rational Sex Offense Laws (UTRSOL)
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Platform Penalties for Victim Services

Utah collected $5 million from the parent company of Pornhub over child sexual abuse material and nonconsensual content, and none of it is designated for victims. Utah is also set to receive $212 million over ten years from Meta's youth-safety settlement, with no announced share for victim services. We propose that the Legislature route penalties like these to victim services, as a stable supplement to appropriations that asks nothing new of individual defendants and does not compete with restitution owed to specific victims.

Prepared by Utah for Rational Sex Offense Laws (UTRSOL) for the committee's October 21, 2026 agenda item on the Victim Services Commission's assessment study. UTRSOL shared an earlier version of this proposal with Rep. Ken Ivory and the victim services task force on October 5, 2026.

The funding problem
Utah's victim services were built largely on federal money, and that money is falling. Deposits into the federal Crime Victims Fund, which is fed by criminal fines and penalties, dropped from $6.6 billion in 2017 to $2.5 billion in 2024 (Mother Jones). Utah's own awards from that fund fell 39%, from about $21.4 million in fiscal 2023 to just under $13 million in fiscal 2025, according to the economic report in the state's 2026 Victim Services Study.

The Legislature responded. State funding rose 151% over the same two years, and total state and federal funding grew 38% after inflation. That investment is real, and it is also exposed. The study calls fiscal 2025 a baseline that "will require continued state investment to maintain services at their current levels." Some services still depend heavily on federal money: criminal justice system-based victim advocacy draws 86% of its funding from federal sources, trafficking services 85% and legal services 81%. The study's answer is "diversification, not merely substitution," because "concentration in any single source of funding, whether federal or state, leaves programs exposed to risk."

The study and the Victim Services Commission's September 30 annual meeting point the same way:

- **Stability over size.** Commission members named non-competitive base funding, fewer grant applications and a long-term plan as their top needs. The study's listening

sessions recommended predictable, formula-based allocations and single applications for core providers.

- **No backsliding.** The economic report's first recommendation asks the Commission to "consider a floor that maintains real dollar allocations across fiscal years." Catherine Ruetschlin, the University of Utah economist who wrote that report, made the same point at the annual meeting.
- **Dedicated money works.** After the state created dedicated funding for the Utah Sexual Assault Program, state support grew from nothing in fiscal 2023 to $5.5 million by fiscal 2025, and the number of counties with a sexual assault nurse examiner program rose from 5 to 14.
- **Accountability.** New state money will need clear standards and outcome measures.

This proposal offers one additional dedicated source that fits all four. That source is penalty money Utah already collects from technology platforms over harm to children, beginning with the Aylo settlement over child sexual abuse material, with a possible share of the new Meta youth-safety proceeds. Directing part of it to victim services would diversify the funding base without new fees on individuals and without displacing the base appropriations the study calls for.

A source Utah already collects

In September 2025, the Utah Division of Consumer Protection and the Federal Trade Commission settled with Aylo Group, the parent company of Pornhub. The complaint alleged its sites distributed child sexual abuse material and nonconsensual content.

Term	What the record shows
Penalty	$15 million, suspended after a $5 million payment to Utah (Commerce release)
Contingent amount	$10 million more if Aylo violates the order
How it is classified	A penalty, not restitution
Where it goes	"A consumer protection education fund," per Commerce Executive Director Margaret Busse (Utah News Dispatch)
Share designated for victims	None

Governor Cox said at the time: "Companies that profit from such conduct must be held accountable." Utah did hold the company accountable. The money it collected, however, was slated for consumer education rather than for the children and adults the conduct harmed. Most of it likely did not stay there. Under Utah Code §13-2-109(4), any balance above

$1,000,000 at the close of a fiscal year must transfer to the General Fund, and the fund itself may be used only for consumer education, staff equipment and training, publications, and the Division's investigations and litigation (§13-2-109(3)). Unless the Division spent it first, most of the $5 million reached the General Fund when fiscal 2026 closed on June 30, 2026. Either way, it was never routed to victims.

This is not a one-time case. Utah law directs settlement money that is not distributed as consumer restitution into the Consumer Protection Education and Training Fund (Utah Code §13-2-109, renumbered from §13-2-8 by S.B. 38 in 2026). The state's 2025 suit against Snap Inc., alleging among other things that the platform facilitated sexual exploitation and sextortion of minors, is proceeding in state court after a federal judge dismissed Snap's countersuit in March 2026 (Courthouse News). Any recovery there would follow the same default path unless the Legislature or the settlement terms say otherwise.

The largest source is new. In August 2026, Utah joined a multistate settlement with Meta over youth safety on Instagram. Utah will receive $212 million over ten years, and up to $301 million if other platforms adopt similar terms (Governor's Office). The announcement does not say how Utah's share will be used. That decision is still open, and it arrives on a predictable ten-year schedule.

Four ways to route it

Each option can stand alone, and they work best together: one recovers what has already been collected, one directs the new Meta proceeds, one changes where future penalties go, and one shapes the next settlement. Taken together, they let the Legislature start with what Utah already holds and build toward a permanent stream, without staking victim services on any single settlement.

Option	How it works	Vehicle	Timing
A. One-time appropriation	Appropriate an amount equal to the Aylo proceeds that reached the General Fund, or a share of it, to the Victim Services Restricted Account or the Crime Victim Reparations program	Appropriations act	2027 session
B. Meta proceeds	Dedicate a share of Utah's annual Meta settlement payments to services for children and families harmed online, including Children's Justice Centers and exploitation victims	Appropriations act, subject to the settlement's use terms	2027 session, then yearly for ten years

Option	How it works	Vehicle	Timing
C. Redirect the year-end transfer	Amend §13-2-109(4) so the fund's year-end balance above $1,000,000 goes to the Victim Services Restricted Account instead of the General Fund. A narrower version would redirect only amounts from cases involving child sexual exploitation, sextortion or nonconsensual content	One-line amendment in the study implementation bill	2027 session, recurring
D. Settlement terms	Ask the Attorney General's Office and the Division to designate a share of future settlements, such as any Snap recovery, as restitution for identifiable victims or a victim-services contribution	Negotiated settlement terms; no statute needed	Next settlement

The Victim Services Restricted Account already exists. H.B. 244 (2023), which created the Commission and funded the study, also created the account, now codified at Utah Code §75E-2-305. By statute it pays for Children's Justice Center services, sexual assault and domestic violence services, and services the Commission recommends (§75E-2-305(3)), which match the needs this proposal addresses.

The Legislature has already made this choice once. Under Utah Code §78B-8-201(3), the state receives half of any punitive damages award above $50,000. For amounts received on or before May 11, 2025, the state's share went to the General Fund. For amounts received after that date, it goes to victim services (§78B-8-201(3)(j), as amended by H.B. 154 (2025), sponsored by Rep. Andrew Stoddard and Sen. Stephanie Pitcher). Option C applies the same rule to consumer-protection penalties.

	Punitive damages, §78B-8-201(3)(j) (H.B. 154, 2025)	Consumer-protection penalties, §13-2-109(4)
Source	State's share of punitive awards above $50,000	Fund balance above $1,000,000 at fiscal year-end
Before	General Fund	General Fund (current law)
After	Victim services, for amounts received after May 11, 2025	Victim Services Restricted Account (proposed)

Why not new fees on offenders

At the September 30 annual meeting, Commission members raised several options that would charge people in the justice system, including fees on inmate phone calls, commissary, visitor applications, background checks and expungements, and a per-conviction fee modeled on Pennsylvania's H.B. 2443. That bill imposes $1,000 per felony, $400 per misdemeanor and $250 per diversion placement on people convicted of, or diverted for, covered sex offenses against children. UTRSOL has a direct stake in that discussion, and states it plainly. The case against these fees, however, rests on victims' interests as much as on ours.

- **They draw on the same pocket as restitution.** People on supervision already pay registration, supervision, treatment and polygraph fees and restitution, often while shut out of much of the job market. A new fund fee competes with restitution owed to specific victims.
- **The revenue is the kind that is already failing.** The federal fund is itself fed by criminal penalties, which is why it is volatile. The study's state comparison found the same pattern in other states, where surcharge and assessment funds rise and fall with case volume. A Commission member recalled that Utah's own court surcharges declined once their effect on indigent defendants became clear.
- **Pennsylvania's record shows the risks.** Members asked to add offenses as the bill moved, and the list reportedly grew to include registration-compliance violations, which have no child victim. The amendment requiring courts to weigh ability to pay before imposing the fee passed the Pennsylvania House only 104–98.

The economic report recommends none of these fees. It points to state appropriations and to diversification. Platform penalties diversify the base without charging individuals at all.

Why it fits the study and the Legislature's goals

The study asks the Legislature to fund victim services in a way that is stable, accountable and tied to the harm being addressed, and the Legislature has asked for the same discipline in return for new money. Routing platform penalties to victim services meets each of those tests.

- **A clear connection to the harm.** Lawmakers expect new revenue to connect to the service it funds. Penalties from platforms over child sexual abuse material and exploitation of minors have a direct connection to services for victims of those crimes.
- **It holds the right party accountable.** The money comes from companies that profited from the conduct, which is the principle the Governor stated when the Aylo settlement was announced.
- **No new burden on individuals.** It adds no fee to people already paying restitution, court costs or supervision costs, and it cannot reduce what a specific victim recovers in restitution, because it draws on a different pool of money.

- **It builds on existing law and accounts.** The settlement authority, the fund under §13-2-109 and the Victim Services Restricted Account under §75E-2-305 all exist today.
- **It follows a rule the Legislature already adopted.** Through H.B. 154 (2025), the Legislature redirected the state's share of punitive damages from the General Fund to victim services. This proposal extends that rule to a second source of money collected from wrongdoers.
- **It can be measured.** Deposits and distributions can be reported through the study's Appendix B, "Core Goals and Outcome Reporting," a framework for following service outcomes and unmet need. That gives the Legislature the accountability trail it has asked for.
- **It draws support across parties.** Child safety online is a shared priority, and Utah has already led national litigation against major platforms.

Limits and tradeoffs

Platform penalties are not a complete answer to the funding gap the study describes, and this proposal does not treat them as one. The limits below are real, and each can be managed with design choices the Legislature controls.

- **It is irregular money.** Most settlements arrive unpredictably and vary in size. The Meta payments are the exception, with a ten-year schedule. Even so, this is a supplement to stable base appropriations, not a substitute. It fits best as one-time funding for capacity, training or backlog, or as a cushion that keeps real funding from sliding in lean years.
- **Consumer education keeps its funding.** The education fund keeps up to $1 million, and amounts above that already go to the General Fund. Directing the excess to victim services changes which state account receives it, not the Division's education budget.
- **Recoveries are uncertain.** Federal law, including Section 230 of the Communications Decency Act, limits platform liability, and these cases are long and costly. The Aylo payment shows recoveries happen, but the state cannot plan a budget around any single case.
- **Distribution needs rules.** If money is designated as restitution for identifiable victims, someone must decide who qualifies and how much each receives. Routing it through the existing reparations program or the restricted account avoids building that from scratch.
- **Each settlement has its own terms.** The Meta settlement resolves claims about youth mental-health harms and platform design, not exploitation. Its agreement may limit how states use the money, and other priorities, such as youth mental health, will compete for it. The use terms should be reviewed before a share is proposed.

Recommendations to the committee

The steps below are ordered so the committee can act on what is certain first and on what depends on outside decisions later. None of them requires new fees, a new account or a new program.

1. **Confirm the balance.** Ask the Legislative Fiscal Analyst and the Division of Consumer Protection where the Aylo payment was deposited and how much transferred to the General Fund when fiscal 2026 closed.
2. **Open a bill file for the §13-2-109(4) amendment.** Consider a committee bill, or coordinate with Rep. Ivory's study implementation bill, so the fund's year-end excess goes to the Victim Services Restricted Account, following the model H.B. 154 (2025) set in §78B-8-201(3)(j).
3. **Conform the account name in the same bill.** §78B-8-201(3)(j) refers to the "Victim Services Restricted Fund," while §75E-2-305 creates the "Victim Services Restricted Account."
4. **Recommend a one-time appropriation.** Recommend that the Executive Appropriations Committee appropriate an amount equal to the Aylo proceeds, or a defined share, to the Victim Services Restricted Account or the Crime Victim Reparations program in 2027.
5. **Request the Meta use terms.** Ask the Attorney General's Office what the Meta settlement allows, and consider a defined share of Utah's annual payments for services to children and families harmed online.
6. **Coordinate on pending cases.** Invite the Attorney General's Office to brief the committee on designating a victim-services share in future settlements, including any Snap recovery.
7. **Keep base funding first.** Pair this source with the study's recommended floor that maintains real dollar allocations across fiscal years, so settlement money adds capacity rather than replacing appropriations.
8. **Report it.** Have the Commission's annual report show deposits, distributions and the outcomes they funded, using the Appendix B framework.

UTRSOL is glad to help gather the fiscal records or draft language for the committee's review.

Disclosure: UTRSOL is a policy research and advocacy organization focused on sex-offense law. Several funding options raised at the Victim Services Commission's September 30 meeting would place new fees on people convicted of registrable sex offenses. UTRSOL offers this proposal as an alternative that funds victim services without that tradeoff.

Sources and record notes

Public meeting records relied on

- Law Enforcement and Criminal Justice Interim Committee, October 21, 2026 agenda, item 5: Victim Services Commission assessment study.
- Victim Services Commission annual meeting, September 30, 2026: funding discussion, offender-fee options, Pennsylvania H.B. 2443 raised as a model, and remarks by the study's research team.
- Pennsylvania House Judiciary Committee, May 4, 2026; House floor consideration, including the ability-to-pay amendment (104–98) and final passage (202–0); and Senate Judiciary Committee, June 23, 2026, on H.B. 2443.
- UTRSOL proposal transmitted to Rep. Ken Ivory for the victim services task force, October 5, 2026.

Documents and coverage

- Department of Criminal Justice, 2026 Victim Services Study: Economic Report (August 2026), State Comparison and Listening Session Report (July 2026)
- Utah Code §13-2-109 (renumbered from §13-2-8 by S.B. 38 (2026))
- Utah Code §75E-2-305, Victim Services Restricted Account; H.B. 244 (2023)
- Utah Code §78B-8-201 as amended by H.B. 154 (2025)
- Utah Department of Commerce, Aylo settlement release, September 3, 2025
- Utah News Dispatch, Pornhub parent company settlement, September 3, 2025
- Federal Trade Commission, action against Aylo, September 2025
- Governor's Office, Meta child-safety settlement, August 26, 2026
- Courthouse News, Utah social media case remains in state court, March 24, 2026
- Mother Jones, Crime Victims Fund decline and children's advocacy centers, December 2024
- Pennsylvania General Assembly, H.B. 2443 bill page