Utah for Rational Sex Offense Laws

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Platform Penalties for Victim Services

A proposal to the Victim Services Task Force | October 5, 2026

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 child-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 Rep. Ken Ivory and the task force implementing the 2026 Victim Services Study.

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. Federal dollars averaged 35% of children's advocacy center budgets nationally (as reported by Mother Jones).

The 2026 Victim Services Study and the Victim Services Commission's September 30 discussion point the same way:

- **Stability over size.** Members named non-competitive base funding, fewer grant applications and a long-term plan as their top needs.
- **No backsliding.** Dr. Catherine Ruetschlin, a member of the study's research team, suggested a commitment to hold real, inflation-adjusted funding steady year over year. Declining real funding has already strained system-based advocates and Children's Justice Centers.
- **Dedicated money works.** As Dr. Ruetschlin noted, the study documents a substantial expansion of sexual assault services after the state created dedicated funding streams.
- **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 add steady, harm-linked capacity 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 to 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 task force 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
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, 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 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, as the points below show.

- **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. 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 alongside the study's Appendix B core-goals framework, which Dr. Ruetschlin highlighted as a way to follow service outcomes and unmet need over time. That gives the Legislature the accountability trail it has asked for.

- **It draws support across parties.** Child safety online draws support across parties, 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 task force 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 task force should read the use terms before proposing a share.

Recommendations

The steps below are ordered so the task force 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, and together they put platform penalties to work for victims beginning in the 2027 session.

1. **Confirm the balance.** Ask the Division of Consumer Protection and the Legislative Fiscal Analyst where the Aylo payment was deposited and how much transferred to the General Fund when fiscal 2026 closed.
2. **Appropriate the equivalent in 2027.** 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 the 2027 appropriations.
3. **Claim a share of the Meta proceeds.** Ask the Legislative Fiscal Analyst and the Attorney General's Office what the Meta settlement allows, and propose a defined share of Utah's annual payments support services for children and families harmed online.

4. **Write the rule into the study bill.** Amend §13-2-109(4) so the year-end excess goes to the Victim Services Restricted Account, following the model H.B. 154 (2025) set in §78B-8-201(3)(j).
5. **Conform the account name.** §78B-8-201(3)(j) refers to the "Victim Services Restricted Fund," while §75E-2-305 creates the "Victim Services Restricted Account." The study bill could correct the reference.
6. **Coordinate on pending cases.** Invite the Attorney General's Office to brief the task force on designating a victim-services share in future settlements.
7. **Keep base funding first.** Pair this source with a commitment to hold real funding for core services steady, as the study's researchers suggested, 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 task force's review.