To protect children from Internet pornography and support law enforcement and other efforts to combat Internet and pornography-related crimes against children.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2005

Mrs. LINCOLN (for herself, Mr. CARPER, Mr. PRYOR, Ms. LANDRIEU, Mr. LIEBERMAN, Mr. SALAZAR, Ms. STABENOW, Mr. BAYH, and Mr. CONRAD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To protect children from Internet pornography and support law enforcement and other efforts to combat Internet and pornography-related crimes against children.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Internet Safety and Child Protection Act of 2005”.

SEC. 2. PURPOSE.

The purpose of this Act is to—
(1) set tighter age verification standards to block minors from entering Internet pornography sites; and

(2) provide funding and support to law enforcement efforts to combat Internet and pornography-related crimes against children.

**TITLE I—CHILD PROTECTION EFFORTS**

**SEC. 101. AGE VERIFICATION REQUIREMENT.**

(a) IN GENERAL.—An operator of a regulated pornographic Web site shall verify that any user attempting to access their site is 18 years of age or older using software certified for that purpose by the Commission.

(b) REQUIREMENT.—The age verification required by this section shall take place prior to the display of any pornographic material, including free content that may be available prior to the purchase of a subscription or product.

**SEC. 102. CREDIT CARD REQUIREMENT.**

A bank, credit card company, third-party merchant, Internet payment service provider, or business that performs financial transactions for a regulated pornographic Web site shall only process age-verified Internet pornography credit card transactions for sales carried out in accordance with this title.
SEC. 103. COMMISSION REQUIREMENT.

The Commission shall—

(1) require each regulated pornographic Web site to—

(A) use appropriate age-screening software to carry out this title; and

(B) use that software correctly and consistently through such means as conducting periodic tests trying to access the Web site without appropriate age verifications; and

(2) in coordination with the Department of Justice and other Federal agencies, maintain a list of regulated pornographic Web sites that are not in compliance with section 101.

SEC. 104. ENFORCEMENT BY THE FEDERAL TRADE COMMISSION.

(a) UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—

A violation of section 101 shall be treated as a violation of section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) regarding unfair or deceptive acts or practices.

(b) POWERS OF COMMISSION.—The Commission shall issue and enforce the regulations for the enforcement of section 101 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal
Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any person who violates such regulations shall be subject to the penalties provided in that title.

SEC. 105. DEFINITIONS.

In this title:

(1) COMMISSION.—The term “Commission” means the Federal Trade Commission.

(2) REGULATED PORNOGRAPHIC WEB SITE.—The term “regulated pornographic Web site” means a person required to maintain documents verifying the age of persons engaged in sexually explicit conduct pursuant to section 2257(a) of title 18, United States Code.

TITLE II—FUNDING FOR CHILD PROTECTION

Subtitle A—Excise Tax

SEC. 201. EXCISE TAX ON INTERNET DISPLAY OR DISTRIBUTION OF PORNOGRAPHY.

(a) IN GENERAL.—Chapter 33 of the Internal Revenue Code of 1986 (relating to facilities and services) is amended by inserting after subchapter C the following new subchapter:
“Subchapter D—Internet Display or Distribution of Pornography

“Sec. 4285. Internet display or distribution of pornography.

“SEC. 4285. INTERNET DISPLAY OR DISTRIBUTION OF PORNOGRAPHY.

“(a) IMPOSITION OF TAX.—There is imposed on amounts charged by a regulated pornographic Web site for individuals to receive the display or distribution of pornography through the Internet a tax equal to 25 percent of the amounts so charged.

“(b) PAYMENT OF TAX.—The tax imposed by this section shall be paid by the operator of the regulated pornographic Web site receiving payment for the display or distribution taxed under subsection (a).

“(c) DEFINITIONS.—In this section:

“(1) PORNOGRAPHY.—The term ‘pornography’ has the same meaning as defined in section 2256(2) of title 18, United States Code.

“(2) REGULATED PORNOGRAPHIC WEB SITE.—The term ‘regulated pornographic Web site’ has the same meaning as defined in section 105 of the Internet Safety and Child Protection Act of 2005.”.

(b) CONFORMING AMENDMENT.—The table of subchapters for chapter 33 of the Internal Revenue Code of
1986 is amended by adding at the end the following new item:

“SUBCHAPTER D—INTERNET DISPLAY OR DISTRIBUTION OF PORNOGRAPHY”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2006.

Subtitle B—Child Protection Programs

SEC. 211. TRUST FUND.

(a) IN GENERAL.—There is established in the Treasury the Internet Safety and Child Protection Trust Fund (referred to in this subtitle as the “trust fund”) into which shall be deposited all taxes collected under section 4285 of the Internal Revenue Code of 1986.

(b) AVAILABILITY OF AMOUNTS.—Amounts deposited into the trust fund shall be available to carry out the programs provided in section 212, subject to annual appropriations.

SEC. 212. FUNDING FOR CHILD INTERNET SAFETY AND PROTECTION PROGRAMS.

(a) PRIORITIES.—Amounts available in the trust fund shall be allocated on a priority basis as follows:

(1) ENFORCEMENT OF THIS ACT.—The first priority for the use of amounts in the trust fund shall be to provide funding for the appropriate Federal agencies to carry out the enforcement of sections 103, 104, and 201 of this Act. Funding may
also be used to promote the development of technology that would facilitate the enforcement of this Act.

(2) Department of Justice Cyber Tip-Line.—The second priority for the use of amounts in the trust fund shall be to provide funds to the Office of Juvenile Justice and Delinquency Prevention to ensure that the congressionally-mandated cyber tip line is fully operational and staffed 24 hours a day.

(3) Internet Crimes Against Children Task Force.—The third priority for the use of amounts in the trust fund shall be to provide funds to States to support 1 Internet Crimes Against Children Task Force center per 5,000,000 State residents, with each State receiving sufficient funding to support at least 1 center and no State receiving funding for more than 7 centers.

(4) Research and Development Grants.—

(A) In general.—The fourth priority for the use of amounts in the trust fund is to establish a competitive grant process for companies and other organizations who work in the technology field to support the research and development into new filtering technologies that
will help parents control children’s access to in-
appropriate content via wireless and other
emerging technologies.

(B) SET ASIDE.—The Attorney General
shall allocate up to 10 percent of annual trust
fund revenues to award a minimum of 15 re-
search and development grants under this para-
graph.

(5) EDUCATIONAL TRAINING.—

(A) IN GENERAL.—The fifth priority for
the use of amounts in the trust fund shall be
to provide relevant State agencies with funds to
support educational training contributing to
greater child Internet safety and reductions in
sex trafficking and sex crimes against children.

(B) CONDITIONS.—The program author-
ized by this paragraph shall be carried out sub-
ject to the following conditions:

(i) States shall receive funding
amounting to $1 for every resident, with a
minimum of $1,000,000 for each State.

(ii) 25 percent of each State’s funding
shall go to the State education agency to
support State and local programs pro-
viding child Internet safety training to teachers.

(iii) 30 percent of each State’s funding shall go to the State Attorneys’ General office to support child Internet safety training for law enforcement, as well as training that enhances the capacity of law enforcement to combat sex trafficking and sex crimes against children.

(iv) 10 percent of each State’s funding shall be allocated to the Governor’s office to develop and implement a coordinated State child internet safety strategy.

(v) 35 percent of the State funding shall go to the relevant State agency to support Public Service Announcements promoting child Internet safety.

(6) REMAINING AMOUNTS.—After fully funding the priorities established in paragraphs (1) through (5) for a fiscal year any remaining amounts shall be allocated as follows:

(A) FEDERAL AGENCY SUPPORT.—50 percent of remaining amounts shall be used to provide funding to support child Internet safety activities, as well as activities combating sex traf-
ficking and sex crimes against children, on the part of the following Federal agencies:

(i) Department of Justice.
(ii) Department of Commerce.
(iii) Department of Defense.
(iv) Department of Education.
(v) Department of Health and Human Services.
(vi) Department of State.
(viii) Department of Treasury.
(ix) Department of Agriculture.
(x) United States Postal Service.
(xi) Federal Trade Commission.
(xii) Federal Communications Commission.
(xiii) National Aeronautics and Space Administration.

(B) PRIVATE ENTITIES.—

(i) IN GENERAL.—50 percent of remaining amounts shall be allocated through a competitive grant process to international and domestic nongovernmental organizations and not-for-profits, to
support work promoting child Internet safety and combating sex trafficking and sex crimes against children.

(ii) DETAILS.—The Attorney General shall—

(I) publish guidance in the Federal Register describing the variety and scope of organizational work to be funded under this subparagraph in a fiscal year and soliciting grant proposals under this subparagraph; and

(II) allocate funds on the basis of a competitive grant process.

(iii) FUNDING LIMIT.—For every $1 allocated for international work under this subparagraph, the Attorney General shall allocate $2.5 dollars for domestic work.

(b) GRANT PROGRAMS.—

(1) IN GENERAL.—The Attorney General shall carry out this section.

(2) TERMS AND CONDITIONS.—The Attorney General shall prescribe the terms and conditions for grant applications and awards under this section.
SEC. 213. DEFICIT REDUCTION.

Amounts remaining in the trust fund after the programs authorized in section 212 are funded shall be returned to the Treasury and applied to deficit reduction.