



HOUSE BILL 971: Human Trafficking Changes.

2023-2024 General Assembly

Committee: Senate Rules and Operations of the Senate	Date: June 20, 2024
Introduced by: Reps. Crutchfield, Reeder, Arp, Sasser	Prepared by: Michael Johnston
Analysis of: Fourth Edition	Staff Attorney

OVERVIEW: *House Bill 971 would do the following:*

- *Direct the Department of Labor to develop human trafficking awareness training.*
- *Require certain employees and third-party contractors of lodging establishments and vacation rentals to complete human trafficking awareness training.*
- *Increase the penalty for a first offense of soliciting another for prostitution.*
- *Allow victims and alleged victims of human trafficking crimes to move for victim confidentiality in criminal proceedings.*
- *Require any person initiating a child custody proceeding to disclose certain criminal convictions and history of child custody proceedings.*
- *Generally prohibit viewing of pornography by employees on government networks and devices, including those of public agencies, the judicial branch, and the legislative branch.*
- *Direct the Division of Social Services, Department of Health and Human Services, to expand, further develop, and implement human trafficking awareness trainings.*
- *Provide CJLEADS access to campus police.*
- *Establish that documentation compiled by the Housing Finance Agency for the purposes of financing housing for victims of domestic violence, sexual assault, and human trafficking are not public records.*
- *Modify the definition of victim in the Crime Victim's Compensation Act.*

CURRENT LAW AND BILL ANALYSIS:

Section 1 would do the following:

- The Department of Labor would be directed to develop or identify a human trafficking awareness training course, in consultation with the North Carolina Human Trafficking Commission, the North Carolina Restaurant and Lodging Association, and the Department of Health and Human Services.
- Lodging establishments would be required to:
 - Ensure that employees of the establishment who perform housekeeping services, provide food or beverage services, or perform check-in and check-out duties receive human trafficking awareness training. Lodging establishments would also be required to keep a record of each employee's completion of the training.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

House Bill 971

Page 2

- Implement a procedure for reporting suspected human trafficking.
- Display on the premises a sign containing information regarding the National Human Trafficking Resource hotline.
- Third-party contractors would be required to ensure that any employee of the third-party contractor who performs housekeeping services at the lodging establishment, provides food or beverage services on site at the lodging establishment, or performs check-in and check-out duties at the lodging establishment complete human trafficking awareness training.
- Employees of lodging establishments and third-party contractors that begin employment on or after July 1, 2025, would be required to complete the training within 60 days of first providing services to the lodging establishment, and every two years thereafter. Persons employed prior to July 1, 2025, would be required to complete the training no later than June 30, 2027, and every two years thereafter.
- The Department of Labor could impose an administrative penalty against any lodging establishment or third-party contractor who willfully and knowingly violates the requirements of this section in the amount of five hundred dollars (\$500.00) for a first violation, one thousand dollars (\$1,000.00) for a second violation, and two thousand dollars (\$2,000.00) for a third violation and each subsequent violation.

Section 1 would become effective July 1, 2025.

Section 2 would do the following:

- Property managers of vacation rentals would be required to implement a procedure for reporting suspected human trafficking occurring at vacation rentals before listing a vacation rental.
- The following individuals would be required to complete human trafficking awareness training:
 - The property manager, or if the property manager is a partnership, corporation, sole proprietorship, or limited liability company, any employee or third-party contractor who oversees the listing, supervision, or maintenance of the vacation rental on behalf of the property manager.
 - The property manager's employees, third-party contractors, and employees of third-party contractors who perform housekeeping services or provide check-in and check-out services for the vacation rental.
- For vacation rentals initially offered for lease on or after July 1, 2025, the property manager would be required to complete training prior to offering the vacation rental for lease, and any employee of the property manager or third-party contractor or employee would be required to complete training within 60 days of first providing services for the vacation rental, and every two years thereafter.
- For vacation rentals initially offered for lease before July 1, 2025, the property manager and all individuals employed or contracted by the property manager before July 1, 2025, would be required to complete the training no later than June 30, 2027, and every two years thereafter.
- If a vacation rental is listed through an accommodation facilitator, the accommodation facilitator would be required to do the following:
 - Notify the property manager of the training requirements of this section.

House Bill 971

Page 3

- For a vacation rental initially listed with the accommodation facilitator on or after July 1, 2025, the accommodation facilitator, before making the listing available, would have to require the property manager to certify that any training required by this section has been completed.
- For a vacation rental initially listed with the accommodation facilitator before July 1, 2025, the accommodation facilitator would have to require the property manager to certify no later than June 30, 2027, that any training required by this section has been completed.
- The accommodation facilitator would be required to report to the Department of Labor within 30 days of request on the methods used to notify property managers of the requirements of this section and to require certification of their compliance with the requirements of this section.
- The Department of Labor could impose an administrative penalty against any property manager or third-party contractor who willfully and knowingly violates these requirements in the amount of five hundred dollars (\$500.00) for a first violation, one thousand dollars (\$1,000.00) for a second violation, and two thousand dollars (\$2,000.00) for a third violation and each subsequent violation.
- It would constitute an unfair trade practice under G.S. 75-1.1 for a property manager to intentionally make a material misstatement regarding completion of human trafficking awareness training.

Section 2 would become effective July 1, 2025.

Section 3 would direct the Department of Labor to develop or identify a training program in accordance with Sections 1 and 2 and make that training program available electronically no later than July 1, 2025.

Section 3 would become effective when it becomes law.

Section 4 would increase the penalty for a first offense of soliciting another for the purpose of prostitution from a Class 1 misdemeanor to a Class I felony. Section 4 would also establish that persons engaging in prostitution do not violate this subsection.

Section 4 would become effective December 1, 2024, and apply to offenses committed on or after that date.

Section 5

Pursuant to G.S. 14-43.17, certain information related to victims of human trafficking offenses is confidential, specifically the name, address, or other information that reasonably could be expected to lead to the identity of the victim, alleged victim, or an immediate family member of a victim or alleged victim. There are multiple exceptions to this rule, including that this section does not apply to records that have been made part of a court file in the custody of the General Court of Justice.

Section 5 would allow human trafficking victims and alleged human trafficking victims to move for victim confidentiality. For criminal cases not yet disposed, the court would be required to set a hearing date for the motion within 5 business days of filing, and for cases previously disposed, the court would be required to set a hearing date within 20 business days of filing.

At the hearing, the victim, the State, and the defendant would have the right to be heard. The court would consider the information provided in written or oral testimony and the possible impact confidentiality might have on the victim, the State, the defendant, the interests of justice, and the press' and public's right of access to criminal case files.

House Bill 971

Page 4

If the court grants the motion, the protections of G.S. 14-43.17(a) would apply even if the victim's information is part of court records. The court, the State, and the defendant would still have access to the victim's information during the case.

The Director of the Administrative Office of the Courts (AOC) would develop policies for effectuating court orders granting motions for victim confidentiality. But the AOC would not be liable for damages under this section unless the conduct of AOC employees amounts to gross negligence.

Section 5 would become effective October 1, 2024, and apply to victims of crimes occurring on or after that date.

Section 6

G.S. 50-13.1(a1) provides that any person instituting a child custody action or proceeding ex parte who has been convicted of a sexually violent offense as defined in G.S. 14-208.6(5) must disclose the conviction in the pleadings.

Section 6 would require any person instituting a child custody action or proceeding to disclose in the pleadings any conviction for:

- A sexually violent offense.
- A human trafficking offense.
- An involuntary servitude offense.
- A sexual servitude offense.
- The sexual exploitation of a minor.

Further, this section would require any person instituting a child custody action to disclose any previous grants or denials of child custody in any jurisdiction.

Section 6 would also require nonparents who are seeking custody of a minor child, or being given custody of a minor child in a consent order, to attest that nothing of value has been given or offered to be given in exchange for the minor child. This provision would not apply to money or property given by the parent of the child to the nonparent as support for the child.

Section 6 would become effective December 1, 2024.

Section 7 would generally prohibit the viewing of pornography by employees on government networks and computers, including those of public agencies, the judicial branch, and the legislative branch. Each public agency, as well as the judicial and legislative branches, would be required to adopt a policy governing the use of its networks and devices, as well as delineate any disciplinary action that would be taken in response to a violation of that policy.

This section would not apply to officials or employees engaging in any of the following activities during that official's or employee's official duties:

- Investigating or prosecuting crimes, offering or participating in law enforcement training, or performing actions related to other law enforcement purposes.
- Identifying potential security or cybersecurity threats.
- Protecting human life.
- Establishing, testing, and maintaining firewalls, protocols, and otherwise implementing this section.

House Bill 971

Page 5

- Participating in judicial or quasi-judicial proceedings.
- Conducting or participating in an externally-funded research project at one of the constituent institutions of The University of North Carolina.
- Researching issues related to the drafting or analysis of the laws of this State as necessary to fulfill the requirements of the employee's official duties.

Public agencies would be required to annually report information regarding the implementation of this section to the State Chief Information Officer, who would then be required to annually report such information to the Joint Legislative Oversight Committee on Information Technology.

Section 7 would also require any employee, elected official, appointee, or student with unauthorized pornography saved to a government device to remove the pornography no later than August 15, 2024.

Section 7 would become effective when it becomes law.

Section 8 would direct the Division of Social Services, Department of Health and Human Services to expand, further develop, and implement trainings on human trafficking to provide guidance to social services staff.

Section 8 would become effective when it becomes law.

Section 9 would allow campus police agencies access to the Criminal Justice Law Enforcement Automated Data System (CJLEADS) upon request of the agency and compliance with the requirements established by the Government Data Analytics Center (GDAC) for access to that system.

Section 9 would become effective July 1, 2024, and apply to requests for access made on or after that date.

Section 10 would establish that records provided to or compiled by the Housing Finance Agency for purposes of financing housing for victims of domestic violence, sexual assault, and human trafficking are not public records under Chapter 132 of the General Statutes.

Section 10 would become effective when it becomes law.

Section 11

Pursuant to the Crime Victim's Compensation Act, Article 1 of Chapter 15B of the General Statutes, a victim is defined as a person who suffers personal injury or death proximately caused by criminally injurious conduct. A victim under that Article can request compensation for economic loss resulting from criminally injurious conduct.

Section 11 would modify the definition of victim to also include a person who suffers economic loss or substantial emotional distress as defined by G.S. 14-277.3A.

Section 11 would become effective October 1, 2024, and apply to victims of crimes occurring on or after that date.

Section 12

EFFECTIVE DATE: Except as otherwise provided, the remainder of this act would become effective when it becomes law.