

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 971
Committee Substitute Favorable 5/22/24
PROPOSED COMMITTEE SUBSTITUTE H971-PCS10578-CNfa-4

Short Title: Hotel Operation and Personnel Education Act.

(Public)

Sponsors:

Referred to:

May 6, 2024

1 A BILL TO BE ENTITLED
2 AN ACT DIRECTING THE DEPARTMENT OF LABOR TO DEVELOP HUMAN
3 TRAFFICKING AWARENESS TRAINING, REQUIRING LODGING
4 ESTABLISHMENTS, ACCOMMODATION FACILITATORS, AND PROPERTY
5 MANAGERS FOR VACATION RENTALS TO IMPLEMENT HUMAN TRAFFICKING
6 AWARENESS TRAINING, AND INCREASING THE PUNISHMENT FOR A FIRST
7 OFFENSE OF SOLICITING A PROSTITUTE.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. Chapter 130A of the General Statutes is amended by adding a new
10 Article to read:

11 "Article 24.

12 "Human Trafficking Public Awareness in Lodging Establishments.

13 **"§ 130A-511. Human trafficking awareness training.**

14 (a) Definitions. – The following definitions apply in this section:

15 (1) Employee. – As defined in G.S. 130A-492.

16 (2) Employer. – As defined in G.S. 130A-492.

17 (3) Lodging establishment. – As defined in G.S. 130A-492.

18 (4) Third-party contractor. – A person not employed by a lodging establishment
19 who contracts with the lodging establishment to provide services for the
20 lodging establishment.

21 (b) Training Development and Availability. – The Department of Labor shall do all of
22 the following:

23 (1) In consultation with the North Carolina Human Trafficking Commission, the
24 North Carolina Restaurant and Lodging Association, and the Department of
25 Health and Human Services, develop a training course, or identify existing
26 training courses, to inform and educate individuals about human trafficking.

27 (2) Ensure the training developed or identified pursuant to this subsection is
28 accessible electronically, in person, or in a classroom setting, without charge,
29 to individuals required to complete the training. The Department of Labor
30 shall not otherwise make the training readily available to the public.

31 (c) Lodging Establishment Requirements. – A lodging establishment shall do all of the
32 following:

33 (1) Ensure that employees of the establishment who perform housekeeping
34 services, provide food or beverage services, or perform check-in and



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1 check-out duties receive human trafficking awareness training as required by
2 this section.

3 (2) Implement a procedure for the reporting of suspected human trafficking to the
4 National Human Trafficking Hotline or to a local law enforcement agency.

5 (3) Prominently display on the premises in a place that is clearly conspicuous and
6 visible to employees and the public a public awareness sign that contains the
7 National Human Trafficking Resource Hotline information. The Department
8 of Labor shall consult with the North Carolina Restaurant and Lodging
9 Association in developing public awareness signage language.

10 (d) Third-Party Contractor Requirements. – A third-party contractor shall ensure that any
11 employee of the third-party contractor who performs housekeeping services at the lodging
12 establishment, provides food or beverage services on site at the lodging establishment, or
13 performs check-in and check-out duties at the lodging establishment receive human trafficking
14 awareness training as required by this section.

15 (e) Training Frequency. – Employees of lodging establishments and third-party
16 contractors that begin employment on or after January 1, 2025, shall complete the training
17 required by this section within 60 days of first providing services to the lodging establishment,
18 and every two years thereafter. Persons employed by a lodging establishment or third-party
19 contractor prior to January 1, 2025, shall complete the training required by this section no later
20 than December 31, 2026, and every two years thereafter.

21 (f) Penalty. – The Department of Labor may impose an administrative penalty against
22 any lodging establishment or any third-party contractor who willfully and knowingly violates the
23 requirements of this section in the amount of five hundred dollars (\$500.00) for the first violation,
24 one thousand dollars (\$1,000) for the second violation, and two thousand dollars (\$2,000) for the
25 third and each subsequent violation. The clear proceeds of penalties assessed under this
26 subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with
27 G.S. 115C-457.2.

28 (g) No Private Right. – Nothing in this section shall (i) be construed as creating a private
29 cause of action against a lodging establishment, or its employees, for any act or omission arising
30 out of the requirements of this section or (ii) in any way limit or impair the rights or remedies
31 which are otherwise available to a victim of human trafficking under any other law."

32 **SECTION 2.** Article 6 of Chapter 42A of the General Statutes is amended by adding
33 a new section to read:

34 **"§ 42A-39. Human trafficking awareness reporting and training requirements.**

35 (a) Definitions. – The following definitions apply in this section:

36 (1) Accommodation facilitator. – As defined in G.S. 105-164.3.

37 (2) Employee. – As defined in G.S. 130A-492.

38 (3) Human trafficking awareness training. – The training developed or identified
39 by the Department of Labor pursuant to G.S. 130A-511.

40 (4) Property manager. – A landlord, as defined in G.S. 42A-4, or real estate
41 broker, as defined in G.S. 93A-2, that has primary responsibility for the
42 listing, supervision, or maintenance of a vacation rental. The term property
43 manager does not include a landlord that delegates all listing, supervisory, and
44 maintenance responsibilities to a real estate broker.

45 (5) Third-party contractor. – A person not employed by a property manager of a
46 vacation rental who contracts with the property manager to provide services
47 for the vacation rental.

48 (6) Vacation rental. – As defined in G.S. 42A-4.

49 (b) Human Trafficking Reporting Requirement. – Before initially listing a vacation
50 rental, either directly or through an accommodation facilitator, the property manager shall

1 implement a procedure for the reporting of suspected human trafficking occurring at vacation
2 rentals to the National Human Trafficking Hotline or to a local law enforcement agency.

3 (c) Human Trafficking Awareness Training. – For any vacation rental offered for lease,
4 all of the following individuals, if applicable, shall complete human trafficking awareness
5 training:

6 (1) The property manager, or if the property manager is a partnership,
7 corporation, sole proprietorship, or limited liability company, any employee
8 or third-party contractor who oversees the listing, supervision, or maintenance
9 of the vacation rental on behalf of the property manager.

10 (2) The property manager's employees who perform housekeeping services at the
11 vacation rental or provide check-in and check-out services for the vacation
12 rental.

13 (3) Any third-party contractor or employee of a third-party contractor who
14 performs housekeeping services at the vacation rental or provides check-in
15 and check-out services for the vacation rental.

16 (d) Training Frequency. – Individuals required to complete training pursuant to
17 subsection (c) of this section shall complete the training as follows:

18 (1) For vacation rentals initially offered for lease on or after January 1, 2025, the
19 property manager shall complete training prior to the vacation rental being
20 offered for lease, and any employee of the property manager, or third-party
21 contractor or employee shall complete training within 60 days of first
22 providing services for the vacation rental, and every two years thereafter.

23 (2) For vacation rentals initially offered for lease prior to January 1, 2025, the
24 property manager and all individuals employed or contracted by the property
25 manager prior to January 1, 2025, shall complete the training required by this
26 section no later than December 31, 2026, and every two years thereafter.

27 (e) Accommodation Facilitator Requirements. – If the vacation rental is listed through an
28 accommodation facilitator, the accommodation facilitator shall comply with all of the following
29 requirements:

30 (1) Notify the property manager of the training requirements of this section.

31 (2) For any vacation rental initially listed with the accommodation facilitator on
32 or after January 1, 2025, prior to making the listing available, require the
33 property manager to certify that any training required by this section has been
34 completed.

35 (3) For any vacation rental initially listed with the accommodation facilitator prior
36 to January 1, 2025, require the property manager to certify no later than
37 December 31, 2026, that any training required by this section has been
38 completed.

39 (4) Report to the Department of Labor no later than January 1, 2026, and annually
40 thereafter, on the methods used to notify property managers of the
41 requirements of this section, and to require certification of their compliance
42 with the requirements of this section.

43 (f) Penalty. – The Department of Labor may impose an administrative penalty against
44 any property manager or any third-party contractor who willfully and knowingly violates the
45 requirements of this section in the amount of five hundred dollars (\$500.00) for the first violation,
46 one thousand dollars (\$1,000) for the second violation, and two thousand dollars (\$2,000) for the
47 third and each subsequent violation. The clear proceeds of penalties assessed under this
48 subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with
49 G.S. 115C-457.2.

1 (g) Unfair Trade Practice. – It shall constitute an unfair trade practice in violation of
2 G.S. 75-1.1 for a property manager to intentionally make a material misstatement in an
3 acknowledgment of human trafficking awareness training completion.

4 (h) No Private Right. – Nothing in this section shall (i) be construed as creating a private
5 cause of action against an accommodation facilitator, or its employees, for any act or omission
6 arising out of the requirements of this section or (ii) in any way limit or impair the rights or
7 remedies which are otherwise available to a victim of human trafficking under any other law."

8 **SECTION 3.** The Department of Labor shall develop or identify a human trafficking
9 awareness training program that complies with Sections 1 and 2 of this act and make that training
10 program available electronically no later than January 1, 2025.

11 **SECTION 4.(a)** G.S. 14-205.1(a) reads as rewritten:

12 "(a) Except as otherwise provided in this section, any person who solicits another for the
13 purpose of prostitution is guilty of a ~~Class 1 misdemeanor~~ Class I felony for a first offense and a
14 Class H felony for a second or subsequent offense. This subsection shall not apply to the person
15 engaging in prostitution, as defined in G.S. 14-203(5). Any person 18 years of age or older who
16 willfully solicits a minor for the purpose of prostitution is guilty of a Class G felony. Any person
17 who willfully solicits a person who has a severe or profound mental disability for the purpose of
18 prostitution is guilty of a Class E felony. Punishment under this section may include participation
19 in a program devised for the education and prevention of sexual exploitation (i.e. "John School"),
20 where available. A person who violates this subsection is not eligible for a disposition of prayer
21 for judgment continued under any circumstances."

22 **SECTION 4.(b)** This section becomes effective December 1, 2024, and applies to
23 offenses committed on or after that date.

24 **SECTION 5.(a)** There is appropriated from the General Fund to the Administrative
25 Office of the Courts the sum of four hundred fifty thousand dollars (\$450,000) in nonrecurring
26 funds for the 2024-2025 fiscal year to be used for an awareness campaign and other efforts to
27 raise awareness on the provisions of this act and to otherwise further the work of the North
28 Carolina Human Trafficking Commission.

29 **SECTION 5.(b)** There is appropriated from the General Fund to the Department of
30 Labor the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the 2024-2025 fiscal
31 year to be used to develop or identify the training required by this act and to otherwise administer
32 the provisions of this act.

33 **SECTION 5.(c)** This section becomes effective July 1, 2024.

34 **SECTION 6.** Sections 1 and 2 of this act become effective January 1, 2025. Except
35 as otherwise provided, the remainder of this act is effective when it becomes law.