

**HOUSE . . . . . No. 138**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Paul F. Tucker***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to state marketplace transparency consumers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Paul F. Tucker</i>	<i>7th Essex</i>	<i>2/18/2021</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>4/20/2021</i>

**HOUSE . . . . . No. 138**

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By Mr. Tucker of Salem, a petition (accompanied by bill, House, No. 138) of Paul F. Tucker relative to the disclosure of information by online marketplaces to inform consumers. Advanced Information Technology, the Internet and Cybersecurity.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
\_\_\_\_\_

An Act relative to state marketplace transparency consumers.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           Sec. 1. Disclosure of Information by Online Marketplaces to Inform Consumers

2           (a) Verification Required.—(1) Online marketplaces shall require that any high-volume  
3 third-party seller on the online marketplace provide the online marketplace with the following  
4 information within 24 hours of

5           becoming a high-volume third-party seller: (A) Bank account information, the accuracy  
6 of which has been confirmed directly by the online marketplace or by a payment processor or  
7 other third-party contracted by the

8           online marketplace, or, if the high-volume third-party seller does not have a bank  
9 account, the name of the payee for payments issued by the online marketplace to the high-  
10 volume third-party seller. Such bank account or payee information may be provided by the seller  
11 either— (i) to the online marketplace; or (ii) to a payment processor or other third-party

12 contracted by the online marketplace to maintain such information, provided that the online  
13 marketplace may obtain such information on demand from such payment processor or other  
14 third-party. (B) Contact information, including—(i) if the high-volume third-party seller  
15 is an individual, a copy of a government issued photo identification for the individual that  
16 includes the individual’s name and physical address; or (ii) if the high-volume third-party seller  
17 is not an individual, either—(I) a copy of a government-issued photo identification for an  
18 individual acting on behalf of the high-volume third-party seller that includes the individual’s  
19 name and physical address; or (II) a copy of a government-issued record or tax document that  
20 includes the business name and physical address of the high-volume third-party seller; and (iii) a  
21 working email address and working phone number for the high-volume third-party seller. (C) A  
22 business tax identification number or, if the high-volume third-party seller does not have a  
23 business tax identification number, a taxpayer identification number. (D) Whether the high-  
24 volume third-party seller is exclusively advertising or offering the consumer product or products  
25 on the online marketplace, or if the high-volume third party seller is currently advertising or  
26 offering for sale the same consumer product or products on any other internet websites other than  
27 the online marketplace. (2) Ongoing Verification Required.— (A) The online marketplace shall  
28 verify the information provided in paragraph (1) within 3 days, and shall verify within 3 days  
29 any changes to such information that is provided to the marketplace by a high-volume third-party  
30 seller. If a high-volume third-party seller provides a copy of a valid government-issued tax  
31 document, information contained within such tax document shall be presumed to be verified as  
32 of the date of issuance of such record or document. (B) The online marketplace shall, on at least  
33 an annual basis, notify each high-volume

34 third-party seller on the online marketplace that the seller must inform the online  
35 marketplace of any changes to the information provided by the seller pursuant to paragraph (1)  
36 within 3 days of receiving the notification and shall instruct each high volume third-party seller,  
37 as part of the notification, to electronically certify either that the seller's information is  
38 unchanged or that the seller is providing changes to the information. If the online marketplace  
39 becomes aware that a high-volume third-party seller has neither certified that the seller's  
40 information is unchanged nor has not provided such changed information within 3 days of  
41 receiving such notification, the online marketplace shall suspend the high-volume third-party  
42 seller's participation on the

43 marketplace until the seller has either certified that the seller's information is unchanged  
44 or has provided such changed information and the information has been verified. (b) Disclosure  
45 Required.— (1) Any online marketplace shall require a high-volume third-party seller in such  
46 online marketplace to provide, and shall disclose to consumers in a conspicuous manner either  
47 on the product listing or, for information other than the seller's full name, through a  
48 conspicuously placed link on the product listing, the following information: (A) Subject to  
49 paragraph (2), the identity of the high-volume third-party seller which shall include— (i) the full  
50 name of the seller; (ii) the full physical address of the seller; (iii) whether the seller also engages  
51 in the manufacturing, importing, or reselling of consumer products; and (iv) contact information  
52 for the seller, including a working phone number and working email address. Such working  
53 email address may be provided to the high volume third-party seller by the online marketplace.  
54 (B) Any other information determined to be necessary to address circumvention or evasion of the  
55 requirements of this paragraph, provided that the additional information is limited to what is  
56 necessary to address such circumvention or evasion. (2) Exceptions— (A) Subject to

57 subparagraph (B), upon the request of a high-volume third-party seller, an online marketplace  
58 may provide for partial disclosure of the identity information required under paragraph (1)(A) in  
59 the following situations: (i) If the high-volume third-party seller demonstrates to the online  
60 marketplace that the seller does not have a business address and only has a residential street  
61 address, the online marketplace may direct the high-volume third-party seller to disclose only the  
62 country and, if applicable, the State in which the high-volume third-party seller resides on the  
63 product listing, and may inform consumers that there is no business address available for the  
64 seller and that consumer inquiries should be submitted to the seller by phone or email. (ii) If the  
65 high-volume third-party seller demonstrates to the online marketplace that the seller is a business  
66 that has a physical address for product returns, the online marketplace may direct the high-  
67 volume third-party seller to disclose the seller's physical address for product returns. (iii) If a  
68 high-volume third-party seller demonstrates to the online marketplace that the seller does not  
69 have a phone number other than a personal phone number, the online marketplace shall inform  
70 consumers that there is no phone number

71 available for the seller and that consumer inquiries should be submitted to the seller's  
72 email address.

73 (B) Limitations to Exceptions—If an online marketplace becomes aware that a high  
74 volume third-party seller has made a false representation to the online marketplace in order to  
75 justify the provision of a partial disclosure under subparagraph (A) or that a high-volume third-  
76 party seller who has requested and received a provision for a partial disclosure under  
77 subparagraph (A) has not provided responsive answers within a

78 reasonable timeframe to consumer inquiries submitted to the seller by phone or email  
79 address, the online marketplace shall withdraw its provision for partial disclosure and require the  
80 full disclosure of the high-volume third-party seller's identity information required under  
81 paragraph (1)(A) upon 3 business days' notice to the high-volume third party seller. (3)  
82 Reporting Mechanism.—An online marketplace shall disclose to consumers, in a conspicuous  
83 manner on the product listing of any high-volume third-party seller, a reporting mechanism that  
84 allows for electronic and telephonic reporting of suspicious marketplace activity to the online  
85 marketplace and a message encouraging individuals seeking goods for purchase to report  
86 suspicious activity to the online marketplace. (c) Fulfillment Or Shipment By Different Party  
87 Than Seller.—In addition to the requirements of  
  
88 subsection (b), an online marketplace that warehouses, distributes, or otherwise fulfills a  
89 consumer product order shall disclose to the consumer the identification of any high-volume  
90 third-party seller supplying the consumer product if different than the seller listed on the product  
91 listing page. (d) Enforcement.—(1) Unfair and Deceptive Acts or Practices.—A violation of  
92 subsection (a), (b), or (c) shall be  
  
93 treated as a violation of a rule {{{defining an unfair or deceptive act or practice}}}. (2)  
94 Powers of the Attorney General.—(A) The Attorney General shall enforce this Act. (3)  
95 Regulations.—The state {{{Consumer Protection Division}}} may promulgate regulations with  
96 respect to collecting and verifying information under this section, provided that such regulations  
97 are limited to what is necessary to collect and verify such information. (e) Preemption.—No  
98 political subdivision may establish, mandate, or otherwise require online marketplaces to verify  
99 information from high-volume third-party sellers on a one-time or ongoing basis or disclose  
100 information to consumers. (f) Definitions.—In this Act: (1) Consumer Product.—The term

101 “consumer product” means any tangible personal property which is distributed in commerce and  
102 which is normally used for personal,

103 family, or household purposes (including any such property intended to be attached to or  
104 installed in any real property without regard to whether it is so attached or installed). (2) High-  
105 Volume Third-Party Seller.—The term “high-volume third-party seller” means a participant in  
106 an online marketplace who is a third-party seller and who, in any continuous 12-month period  
107 during the previous 24 months, has entered into 200 or more discrete sales or transactions of new  
108 or unused consumer products resulting in the accumulation of an aggregate total of \$5,000 or  
109 more in gross revenues. (3) Online Marketplace.—The term “online marketplace” means any  
110 electronically based or accessed platform that— (A) includes features that allow for, facilitate, or  
111 enable third-party sellers to engage in the sale, purchase, payment, storage, shipping, or delivery  
112 of a consumer product in the United States; and (B) hosts one or more third-party sellers. (4)  
113 Seller.—The term “seller” means a person who sells, offers to sell, or contracts to sell a  
114 consumer product through an online marketplace. (5) Third-Party Seller.— (A) The term “third-  
115 party seller” means any seller, independent of an operator, facilitator, or owner of an online  
116 marketplace, who sells, offers to sell, or contracts to sell a consumer product in the United States  
117 through an online marketplace. (B) Exclusion.—The term “third-party seller” does not include a  
118 seller who—

119 (i) is a business entity that has made available to the general public the entity’s name,  
120 business address, and working contact information; (ii) has an ongoing contractual relationship  
121 with the owner of the online

122 marketplace to provide for the manufacture, distribution, wholesaling, or fulfillment of  
123 shipments of consumer products; and (iii) has provided to the online marketplace identifying  
124 information, as described in subsection (a), that has been verified pursuant to that subsection. (6)  
125 Verify.—The term “verify” means to confirm information provided to an online marketplace  
126 pursuant to this section by the use of— (A) a third-party or proprietary identity verification  
127 system that has the capability to confirm a seller’s name, email address, physical address, and  
128 phone number; or (B) a combination of two-factor authentication, public records search, and the  
129 presentation of a government-issued identification.

130 Section 3. Effective Date. This Act shall take effect 180 days after the date of the  
131 enactment.