

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1594

PRINTER NO. 2989

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

June 10, 2021

PRIME SPONSOR

Representative Tomlinson

DESCRIPTION

House Bill 1594 amends the Unfair Trade Practices and Consumer Protection Law to provide for high-volume, third-party sellers on online marketplaces.

This bill provides for the following definitions:

- High-volume, third-party seller – a third party seller who for a continuous period of twelve months during the previous 24 months has engaged in at least 200 discrete sales and has an aggregate total of at least \$5,000 in gross revenues.
- Online marketplace – any person or entity that operated a consumer-directed, electronically based platform that allows third party sellers to engage in the sale, purchase, payment, storage, shipping or delivery of a consumer product.

A high-volume, third-party seller (HVTP) is required to provide to the online marketplace the following information no later than 10 days after becoming a HVTP:

- A bank account number or name of payee for payments to the HVTP;
- Name of the HVTP if the seller is an individual;
- Name and copy of valid government-issued identification for the individual acting on behalf of the HVTP;
- A copy of a valid government-issued record or tax document with the business name and physical location;
- Business tax identification number or taxpayer identification number; and
- Telephone number and email address.

The legislation requires the online marketplace to annually confirm the HVTP bank account and contact information. The HVTP's failure to confirm will result in the suspension of activity on the marketplace. The online marketplace is required to implement and maintain security procedures and safeguards to protect the HVTP information.

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A HVTP with an aggregate total of at least \$20,000 in annual gross revenue shall provide the following information on an order confirmation message:

- HVTP seller full name or company name;
- HVTP physical address;
- HVTP contact information including telephone information, email address or other means of electronic messaging; and
- Whether the HVTP seller used a different seller than listed on the product listing to supply a consumer product and that seller's contact information if requested.

The bill permits a HVTP to request only a state or country be provided if the HVTP only has a residential address. The marketplace may provide an address if the HVTP has a physical location for returns. The marketplace may suspend the HVTP if a false representation was made to justify partial disclosure or the HVTP has not provided responsive answers to a consumer inquiry within a reasonable timeframe. The marketplace must provide the ability to report suspicious activity on each HVTP product listing. The marketplace may prevent fraud, abuse or spam. The Attorney General is required to enforce the provisions of this law and allow for civil penalties for each violation. A political subdivision is prohibited from establishing, mandating or requiring an online marketplace from collecting or verifying an HVTP's information or disclosure of information to a consumer.

FISCAL IMPACT:

House Bill 1594 will have no fiscal impact on Commonwealth funds.