

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 1627

By: Mize

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6 AS INTRODUCED

7 An Act relating to consumer protection; creating the
8 Online Marketplace Consumer Protection Act; defining
9 terms; requiring online marketplaces disclose certain
10 information; requiring high-volume third-party
11 sellers disclose certain information; requiring
12 reporting mechanism; requiring verification of
information; providing for annual information
updates; providing for enforcement by the Attorney
General; limiting authority to regulate online
marketplaces; providing for codification; and
providing an effective date.

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15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 799A.1 of Title 15, unless there
18 is created a duplication in numbering, reads as follows:

19 This act shall be known and may be cited as the "Online
20 Marketplace Consumer Protection Act".

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 799A.2 of Title 15, unless there
23 is created a duplication in numbering, reads as follows:

24 As used in the Online Marketplace Consumer Protection Act:

1 1. "Consumer product" means any tangible personal property
2 which is distributed in commerce and which is normally used for
3 personal, family or household purposes, including any such property
4 intended to be attached to or installed in any real property without
5 regard to whether it is so attached or installed;

6 2. "High-volume third-party seller" means a participant in an
7 online marketplace who is a third-party seller and who, in any
8 continuous twelve-month period during the previous twenty-four (24)
9 months, has entered into two hundred (200) or more discrete sales or
10 transactions of new or unused consumer products resulting in the
11 accumulation of an aggregate total of Five Thousand Dollars
12 (\$5,000.00) or more in gross revenues;

13 3. "Online marketplace" means any electronically based or
14 accessed platform that:

15 a. includes features that allow for, facilitate or enable
16 third-party sellers to engage in the sale, purchase,
17 payment, storage, shipping or delivery of a consumer
18 product in the United States, and

19 b. hosts one or more third-party sellers;

20 4. "Seller" means a person who sells, offers to sell or
21 contracts to sell a consumer product through an online marketplace;

22 5. "Third-party seller" means any seller, independent of an
23 operator, facilitator or owner of an online marketplace, who sells,
24 offers to sell or contracts to sell a consumer product in the United

1 States through an online marketplace. The term third-party seller
2 does not include a seller who:

- 3 a. is a business entity that has made available to the
4 general public the entity's name, business address and
5 working contact information,
- 6 b. has an ongoing contractual relationship with the
7 operator, facilitator or owner of the online
8 marketplace to provide for the manufacture,
9 distribution, wholesaling or fulfillment of shipments
10 of consumer products, and
- 11 c. has provided to the online marketplace identifying
12 information, as described in Section 3 of this act,
13 that has been verified pursuant to that section; and

14 6. "Verify" means to confirm information provided to an online
15 marketplace pursuant to this act by the use of:

- 16 a. a third-party or proprietary identity verification
17 system that has the capability to confirm a seller's
18 name, email address, physical address and phone
19 number, or
- 20 b. a combination of two-factor authentication, public
21 records search and the presentation of a government-
22 issued identification.

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1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 799A.3 of Title 15, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Online marketplaces shall require that any high-volume
5 third-party seller on the online marketplace provide the online
6 marketplace with the following information within twenty-four (24)
7 hours of becoming a high-volume third-party seller:

8 1. Bank account information, the accuracy of which has been
9 confirmed directly by the online marketplace or by a payment
10 processor or other third party contracted by the online marketplace,
11 or, if the high-volume third-party seller does not have a bank
12 account, the name of the payee for payments issued by the online
13 marketplace to the high-volume third-party seller. Such bank
14 account or payee information may be provided by the seller either:

- 15 a. to the online marketplace, or
- 16 b. to a payment processor or other third party contracted
17 by the online marketplace to maintain such
18 information, provided that the online marketplace may
19 obtain such information on demand from such payment
20 processor or other third party;

21 2. Contact information, including:

- 22 a. if the high-volume third-party seller is an
23 individual, a copy of a government-issued photo

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1 identification for the individual that includes the
2 individual's name and physical address, or

3 b. if the high-volume third-party seller is not an
4 individual, either:

5 (1) a copy of a government-issued photo
6 identification for an individual acting on behalf
7 of the high-volume third-party seller that
8 includes the individual's name and physical
9 address, or

10 (2) a copy of a government-issued record or tax
11 document that includes the business name and
12 physical address of the high-volume third-party
13 seller, and

14 c. a working email address and working phone number for
15 the high-volume third-party seller;

16 3. A business tax identification number or, if the high-volume
17 third-party seller does not have a business tax identification
18 number, a taxpayer identification number; and

19 4. Whether the high-volume third-party seller is exclusively
20 advertising or offering the consumer product or products on the
21 online marketplace or if the high-volume third-party seller is
22 currently advertising or offering for sale the same consumer product
23 or products on any other Internet websites other than the online
24 marketplace.

1 B. The online marketplace shall verify the information provided
2 by the high-volume third-party seller pursuant to subsection A of
3 this section within three (3) days, and shall verify within three
4 (3) days any changes to such information that is provided to the
5 online marketplace by a high-volume third-party seller. If a high-
6 volume third-party seller provides a copy of a valid government-
7 issued tax document, information contained within such tax document
8 shall be presumed to be verified as of the date of issuance of such
9 record or document.

10 C. The online marketplace shall, on at least an annual basis,
11 notify each high-volume third-party seller on the online marketplace
12 that the seller must inform the online marketplace of any changes to
13 the information provided by the seller pursuant to subsection A of
14 this section within three (3) days of receiving the notification and
15 shall instruct each high-volume third-party seller, as part of the
16 notification, to electronically certify either that the seller's
17 information is unchanged or that the seller is providing changes to
18 the information. If the online marketplace becomes aware that a
19 high-volume third-party seller has neither certified that the
20 seller's information is unchanged nor has not provided such changed
21 information within three (3) days of receiving such notification,
22 the online marketplace shall suspend the high-volume third-party
23 seller's participation on the online marketplace until the seller
24 has either certified that the seller's information is unchanged or

1 has provided such changed information and the information has been
2 verified.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 799A.4 of Title 15, unless there
5 is created a duplication in numbering, reads as follows:

6 A. Any online marketplace shall require a high-volume third-
7 party seller in such online marketplace to provide, and shall
8 disclose to consumers in a conspicuous manner either on the product
9 listing or, for information other than the seller's full name,
10 through a conspicuously placed link on the product listing, the
11 following information:

12 1. Subject to subsection B of this section, the identity of the
13 high-volume third-party seller, which shall include:

- 14 a. the full name of the high-volume third-party seller,
- 15 b. the full physical address of the high-volume third-
16 party seller,
- 17 c. whether the high-volume third-party seller also
18 engages in the manufacturing, importing or reselling
19 of consumer products, and
- 20 d. contact information for the high-volume third-party
21 seller, including a working phone number and working
22 email address. Such working email address may be
23 provided to the high-volume third-party seller by the
24 online marketplace; and

1 2. Any other information determined to be necessary to address
2 circumvention or evasion of the requirements of this subsection,
3 provided that the additional information is limited to what is
4 necessary to address such circumvention or evasion.

5 B. Subject to subsection C of this section, upon the request of
6 a high-volume third-party seller, an online marketplace may provide
7 for partial disclosure of the identity information required under
8 paragraph 1 of subsection A of this section in the following
9 situations:

10 1. If the high-volume third-party seller demonstrates to the
11 online marketplace that the seller does not have a business address
12 and only has a residential street address, the online marketplace
13 may direct the high-volume third-party seller to disclose only the
14 country and, if applicable, the state in which the high-volume
15 third-party seller resides on the product listing, and may inform
16 consumers that there is no business address available for the seller
17 and that consumer inquiries should be submitted to the seller by
18 phone or email;

19 2. If the high-volume third-party seller demonstrates to the
20 online marketplace that the seller is a business that has a physical
21 address for product returns, the online marketplace may direct the
22 high-volume third-party seller to disclose the seller's physical
23 address for product returns; or
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1 3. If a high-volume third-party seller demonstrates to the
2 online marketplace that the seller does not have a phone number
3 other than a personal phone number, the online marketplace shall
4 inform consumers that there is no phone number available for the
5 seller and that consumer inquiries should be submitted to the
6 seller's email address.

7 C. If an online marketplace becomes aware that a high-volume
8 third-party seller has made a false representation to the online
9 marketplace in order to justify the provision of a partial
10 disclosure under subsection B of this section or that a high-volume
11 third-party seller who has requested and received a provision for a
12 partial disclosure under subsection B of this section has not
13 provided responsive answers within a reasonable timeframe to
14 consumer inquiries submitted to the seller by phone or email
15 address, the online marketplace shall withdraw its provision for
16 partial disclosure and require the full disclosure of the high-
17 volume third-party seller's identity information required under
18 paragraph 1 of subsection A of this section upon three (3) business
19 days' notice to the high-volume third-party seller.

20 SECTION 5. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 799A.5 of Title 15, unless there
22 is created a duplication in numbering, reads as follows:

23 An online marketplace shall disclose to consumers, in a
24 conspicuous manner on the product listing of any high-volume third-

1 party seller, a reporting mechanism that allows for electronic and
2 telephonic reporting of suspicious marketplace activity to the
3 online marketplace and a message encouraging individuals seeking
4 goods for purchase to report suspicious activity to the online
5 marketplace.

6 SECTION 6. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 799A.6 of Title 15, unless there
8 is created a duplication in numbering, reads as follows:

9 In addition to the requirements of Section 4 of this act, an
10 online marketplace that warehouses, distributes or otherwise
11 fulfills a consumer product order shall disclose to the consumer the
12 identification of any high-volume third-party seller supplying the
13 consumer product if different than the seller listed on the product
14 listing page.

15 SECTION 7. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 799A.7 of Title 15, unless there
17 is created a duplication in numbering, reads as follows:

18 A. Any violation of the provisions of this act is a violation
19 of the Oklahoma Consumer Protection Act which shall be enforced
20 pursuant to the provisions of Section 761.1 of Title 15 of the
21 Oklahoma Statutes.

22 B. The Attorney General shall enforce this act.

23 C. The Attorney General is authorized to adopt and promulgate
24 regulations with respect to collecting and verifying information

1 under this act, provided that such regulations are limited to what
2 is necessary to collect and verify such information.

3 SECTION 8. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 799A.8 of Title 15, unless there
5 is created a duplication in numbering, reads as follows:

6 No political subdivision may establish, mandate or otherwise
7 require online marketplaces to verify information from high-volume
8 third-party sellers on a one-time or ongoing basis or disclose
9 information to consumers.

10 SECTION 9. This act shall become effective November 1, 2021.

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