HOUSE No. 140

The Commonwealth of Massachusetts

PRESENTED BY:

Andres X. Vargas

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 promoting competition among app stores.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Andres X. Vargas	3rd Essex	2/1/2021
Marcos A. Devers	16th Essex	2/18/2021
Christina A. Minicucci	14th Essex	2/26/2021
Michelle L. Ciccolo	15th Middlesex	2/26/2021
Carlos González	10th Hampden	2/26/2021
Dylan A. Fernandes	Barnstable, Dukes and Nantucket	3/8/2021

No. 140 HOUSE

By Mr. Vargas of Haverhill, a petition (accompanied by bill, House, No. 140) of Andres X. Vargas and others for legislation to regulate certain digital distribution platforms for applications and services. Advanced Information Technology, the Internet and Cybersecurity.

The Commonwealth of Alassachusetts

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

An Act promoting competition among app stores.

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

- 1 The General Laws are hereby amended by inserting after chapter 93K the following 2
- 3 CHAPTER 93L. REGULATION OF APP STORES
- 4 Section 1. As used in this act, the following words shall, unless the context clearly
- 5 requires otherwise, have the following meanings:
- 6 "App Store", means a digital distribution platform for applications and services provided
- 7 to users on general-purpose hardware including mobile phones or smartphones, tablets, personal
- 8 computers, or other general-purpose devices connected to the internet, and any person affiliated
- 9 or acting in concert with such platform.
- 10 "Developer", means any creator of software applications made available for download by
- 11 users through an App Store.

chapter: -

"Domiciled in this state", means a person that is an individual resident of this state or, if the person is not an individual, means an entity that has a permanent establishment in this state and conducts in this state a substantial portion of its work to create, support, or maintain its applications.

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"In-app payment system", means an application, service, or user interface to process the payments from users to developers for software applications and digital and physical products distributed through software applications.

"Special-Purpose App Store", means a digital distribution platform for single or specialized categories of applications, software, and services provided to users of special purpose hardware like gaming consoles, music players, or other special-purpose devices connected to the internet.

- Section 2. (a) An App Store for which cumulative gross receipts from sales on the App Store to customers in Massachusetts are in excess of \$10,000,000.00 in the previous or current calendar year shall not:
- (1) unreasonably restrict the ability of an app developer to select an alternative mode of accepting payments from users to download a software application or purchase a digital or physical product or service through a software application; or
- 29 (2) retaliate or take punitive action against a developer for choosing to use alternative App Stores or in-app payment systems.
 - (b) The provisions in this section do not apply to Special-Purpose App Stores.

Section 3. An App Store for which cumulative gross receipts from sales on the App Store to customers in Massachusetts are in excess of \$10,000,000.00 in the previous or current calendar year shall not impose restrictions, conditions or prohibitions on developers from communicating through its app with users or customers of that app.

- Section 4. (a) An App Store for which cumulative gross receipts from sales on the App Store to customers in Massachusetts are in excess of \$10,000,000.00 in the previous or current calendar year shall not:
- (1) use data or information derived from the developer or the developer's application to compete with the developer;
- (2) engage in preferencing its own applications or services over those of competing applications through unequal terms or requirements, preferential ranking, access to technical information or interfaces or otherwise disadvantaging competing applications and services vis a vis its own; or
- (3) exclude any developer from the App Store or otherwise disadvantage any developer for reasons other than failing to meet fair, objective and nondiscriminatory standards for privacy, security, quality, content and digital safety.
- Section 5. (a) An App Store for which cumulative gross receipts from sales on the App Store to customers in Massachusetts are in excess of \$10,000,000.00 in the previous or current calendar year shall:
- (1) allow developers and providers of ancillary services fair reasonable and nondiscriminatory access to and interoperability with the same operating system, technical and other

- information, hardware and software features that are available or used in the provision by the
 App Store owner of any ancillary services; and
- (2) allow and provide the means for end users to choose third party apps as defaults and
 to hide or delete apps provided by the App Store owner.

- Section 6. The provisions in section 2 to 5, inclusive, shall apply with respect to applications provided to users domiciled in this state and shall apply with respect to applications owned by a person(s) domiciled in this state.
- Section 7. Violation of sections 2 to 5, inclusive, shall be subject to Chapter 93A of the General Laws. A person aggrieved by a violation said sections may bring an action to enjoin the violation or for restitution, or both. A court may award the plaintiff costs, expenses, and reasonable attorney's fees. This section does not limit any other claims a person may have under any other provision of law.