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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --  
DISCLOSURE OF INFORMATION BY ONLINE MARKETPLACES

Introduced By: Senators Burke, DiMario, DiPalma, Coyne, Lombardo, and Archambault

Date Introduced: March 01, 2022

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW - GENERAL  
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 59

4 DISCLOSURE OF INFORMATION BY ONLINE MARKETPLACES

5 **6-59-1. Definitions.**

6 As used in this chapter:

7 (1) "Consumer product" means any tangible personal property which is distributed in  
8 commerce and which is normally used for personal, family, or household purposes (including any  
9 such property intended to be attached to or installed in any real property without regard to whether  
10 it is so attached or installed).

11 (2) "High-volume third-party seller" means a participant in an online marketplace who is a  
12 third-party seller and who, in any continuous twelve (12) month period during the previous twenty-  
13 four (24) months, has entered into two hundred (200) or more discrete sales or transactions of new  
14 or unused consumer products resulting in the accumulation of an aggregate total of five thousand  
15 dollars (\$5,000) or more in gross revenues.

16 (3) "Online marketplace" means any electronically based or accessed platform that:

17 (i) Includes features that allow for, facilitate, or enable third-party sellers to engage in the  
18 sale, purchase, payment, storage, shipping, or delivery of a consumer product in the United States;

1 and

2 (ii) Hosts one or more third-party sellers.

3 (4) "Seller" means a person who sells, offers to sell, or contracts to sell a consumer product  
4 through an online marketplace.

5 (5) "Third-party seller" means any seller, independent of an operator, facilitator, or owner  
6 of an online marketplace, who sells, offers to sell, or contracts to sell a consumer product in the  
7 United States through an online marketplace. The term "third-party seller" does not include a seller  
8 who:

9 (i) Is a business entity that has made available to the general public the entity's name,  
10 business address, and working contact information; or

11 (ii) Has an ongoing contractual relationship with the owner of the online marketplace to  
12 provide for the manufacture, distribution, wholesaling, or fulfillment of shipments of consumer  
13 products; and

14 (iii) Has provided to the online marketplace identifying information that has been verified  
15 pursuant to this chapter.

16 (6) "Verify" means to confirm information provided to an online marketplace pursuant to  
17 this section by the use of a third-party or proprietary identity verification system that has the  
18 capability to confirm a seller's name, email address, physical address, and phone number; or a  
19 combination of two (2) factor authentication, public records search, and the presentation of a  
20 government-issued identification.

21 **6-59-2. Verification required.**

22 (a) Online marketplaces shall require that any high-volume third-party seller on the online  
23 marketplace provide the online marketplace with the following information within twenty-four (24)  
24 hours of becoming a high-volume third-party seller:

25 (1) Bank account information, the accuracy of which has been confirmed directly by the  
26 online marketplace or by a payment processor or other third-party contracted by the online  
27 marketplace, or, if the high-volume third-party seller does not have a bank account, the name of  
28 the payee for payments issued by the online marketplace to the high-volume third-party seller. Such  
29 bank account or payee information may be provided by the seller either:

30 (i) To the online marketplace; or

31 (ii) To a payment processor or other third-party contracted by the online marketplace to  
32 maintain such information, provided that the online marketplace may obtain such information on  
33 demand from such payment processor or other third-party.

34 (2) Contact information, including:

1 (i) If the high-volume third-party seller is an individual, a copy of a government issued  
2 photo identification for the individual that includes the individual's name and physical address; or

3 (ii) If the high-volume third-party seller is not an individual, either:

4 (A) A copy of a government-issued photo identification for an individual acting on behalf  
5 of the high-volume third-party seller that includes the individual's name and physical address; or

6 (B) A copy of a government-issued record or tax document that includes the business name  
7 and physical address of the high-volume third-party seller; and

8 (iii) A working email address and working phone number for the high-volume third-party  
9 seller.

10 (3) A business tax identification number or, if the high-volume third-party seller does not  
11 have a business tax identification number, a taxpayer identification number.

12 (4) Whether the high-volume third-party seller is exclusively advertising or offering the  
13 consumer product or products on the online marketplace, or if the high-volume third-party seller is  
14 currently advertising or offering for sale the same consumer product or products on any other  
15 Internet websites other than the online marketplace.

16 (b) Ongoing verification required. The online marketplace shall verify the information  
17 provided in subsection (a) of this section within three (3) days, and shall verify within three (3)  
18 days any changes to such information that is provided to the marketplace by a high-volume third-  
19 party seller. If a high-volume third-party seller provides a copy of a valid government-issued tax  
20 document, information contained within such tax document shall be presumed to be verified as of  
21 the date of issuance of such record or document. The online marketplace shall, on at least an annual  
22 basis, notify each high-volume third-party seller on the online marketplace that the seller must  
23 inform the online marketplace of any changes to the information provided by the seller pursuant to  
24 subsection (a) of this section within three (3) days of receiving the notification and shall instruct  
25 each high-volume third-party seller, as part of the notification, to electronically certify either that  
26 the seller's information is unchanged or that the seller is providing changes to the information. If  
27 the online marketplace becomes aware that a high-volume third-party seller has neither certified  
28 that the seller's information is unchanged nor has not provided such changed information within  
29 three (3) days of receiving such notification, the online marketplace shall suspend the high-volume  
30 third-party seller's participation on the marketplace until the seller has either certified that the  
31 seller's information is unchanged or has provided such changed information and the information  
32 has been verified.

33 **6-59-3. Disclosure required.**

34 (a) Any online marketplace shall require a high-volume third-party seller in such online

1 marketplace to provide, and shall disclose to consumers in a conspicuous manner either on the  
2 product listing or, for information other than the seller's full name, through a conspicuously placed  
3 link on the product listing, the following information:

4 (1) The identity of the high-volume third-party seller which shall include the full name of  
5 the seller, the full physical address of the seller, whether the seller also engages in the  
6 manufacturing, importing, or reselling of consumer products; and the contact information for the  
7 seller, including a working phone number and working email address. Such working email address  
8 may be provided to the high-volume third-party seller by the online marketplace;

9 (2) Any other information determined to be necessary to address circumvention or evasion  
10 of the requirements of this subsection, provided that the additional information is limited to what  
11 is necessary to address such circumvention or evasion.

12 **6-59-4. Exceptions.**

13 Upon the request of a high-volume third-party seller, an online marketplace may provide  
14 for partial disclosure of the identity information required under this chapter in the following  
15 situations:

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

22 (2) If the high-volume third-party seller demonstrates to the online marketplace that the  
23 seller is a business that has a physical address for product returns, the online marketplace may direct  
24 the high-volume third-party seller to disclose the seller's physical address for product returns;

25 (3) If a high-volume third-party seller demonstrates to the online marketplace that the seller  
26 does not have a phone number other than a personal phone number, the online marketplace shall  
27 inform consumers that there is no phone number available for the seller and that consumer inquiries  
28 should be submitted to the seller's email address.

29 **6-59-5. Limitations to Exceptions.**

30 If an online marketplace becomes aware that a high-volume third-party seller has made a  
31 false representation to the online marketplace in order to justify the provision of a partial disclosure  
32 under this chapter or that a high-volume third-party seller who has requested and received a  
33 provision for a partial disclosure this chapter has not provided responsive answers within a  
34 reasonable timeframe to consumer inquiries submitted to the seller by phone or email address, the

1 online marketplace shall withdraw its provision for partial disclosure and require the full disclosure  
2 of the high-volume third-party seller's identity information required under this chapter upon  
3 receiving three (3) business days' notice to the high-volume third-party seller.

4 **6-59-6. Reporting mechanism.**

5 An online marketplace shall disclose to consumers, in a conspicuous manner on the product  
6 listing of any high-volume third-party seller, a reporting mechanism that allows for electronic and  
7 telephonic reporting of suspicious marketplace activity to the online marketplace and a message  
8 encouraging individuals seeking goods for purchase to report suspicious activity to the online  
9 marketplace.

10 **6-59-7. Fulfillment or shipment by different party than seller.**

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

15 **6-59-8. Enforcement. Unfair and deceptive acts or practices.**

16 Any violation of this chapter shall be treated as a violation of chapters 13 and 13.1 of title  
17 6.

18 **6-59-9. Powers of the attorney general.**

19 The attorney general shall enforce the provisions of this chapter.

20 **6-59-10. Regulations.**

21 The office of the attorney general, consumer protection division shall promulgate such  
22 rules and regulations with respect to collecting and verifying information under this chapter,  
23 provided that such regulations are limited to what is necessary to collect and verify such  
24 information.

25 **6-59-11. Preemption.**

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

29 SECTION 2. This act shall take effect on January 1, 2023.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --  
DISCLOSURE OF INFORMATION BY ONLINE MARKETPLACES

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1           This act would require high-volume third-party sellers, selling consumer goods on online  
2 marketplaces, to provide certain information to the marketplaces and disclose certain information  
3 to consumers on product listings.

4           The act also requires online marketplaces to verify information provided by high-volume  
5 third-party sellers and periodically require those sellers to verify or update the information.

6           This act would take effect on January 1, 2023.

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