
HOUSE BILL 1543

State of Washington

67th Legislature

2021 Regular Session

By Representatives Kirby and Ryu

Read first time 02/18/21. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to the adoption of the consumer product theft and
2 safety protection act; adding a new chapter to Title 19 RCW; and
3 declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) **Verification required.** Online
6 marketplaces shall require that any high-volume third-party seller on
7 the online marketplace provide the online marketplace with the
8 following information within 24 hours of becoming a high-volume
9 third-party seller:

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

17 (i) To the online marketplace; or

18 (ii) To a payment processor or other third party contracted by
19 the online marketplace to maintain such information, provided that
20 the online marketplace may obtain such information on demand from
21 such payment processor or other third party;

1 (b) Contact information, including:

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

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

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

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

13 (iii) A working email address and working phone number for the
14 high-volume third-party seller;

15 (c) A business tax identification number or, if the high-volume
16 third-party seller does not have a business tax identification
17 number, a taxpayer identification number;

18 (d) Whether the high-volume third-party seller is exclusively
19 advertising or offering the consumer product or products on the
20 online marketplace, or if the high-volume third-party seller is
21 currently advertising or offering for sale the same consumer product
22 or products on any other internet websites other than the online
23 marketplace.

24 (2) **Ongoing verification required.** (a) The online marketplace
25 shall verify the information provided in subsection (1) of this
26 section within three days, and shall verify within three days any
27 changes to such information that is provided to the online
28 marketplace by a high-volume third-party seller. If a high-volume
29 third-party seller provides a copy of a valid government-issued tax
30 document, information contained within such tax document shall be
31 presumed to be verified as of the date of issuance of such record or
32 document.

33 (b) The online marketplace shall, on at least an annual basis,
34 notify each high-volume third-party seller on the online marketplace
35 that the seller must inform the online marketplace of any changes to
36 the information provided by the seller pursuant to subsection (1) of
37 this section within three days of receiving the notification, and
38 shall instruct each high-volume third-party seller, as part of the
39 notification, to electronically certify either that the seller's
40 information is unchanged or that the seller is providing changes to

1 the information. If the online marketplace becomes aware that a high-
2 volume third-party seller has neither certified that the seller's
3 information is unchanged nor has not provided such changed
4 information within three days of receiving such notification, the
5 online marketplace shall suspend the high-volume third-party seller's
6 participation on the online marketplace until the seller has either
7 certified that the seller's information is unchanged or has provided
8 such changed information and the information has been verified.

9 (3) **Disclosure required.** (a) Any online marketplace shall require
10 a high-volume third-party seller in such online marketplace to
11 provide, and shall disclose to consumers in a conspicuous manner
12 either on the product listing or, for information other than the
13 seller's full name, through a conspicuously placed link on the
14 product listing, the following information:

15 (i) Subject to (b) of this subsection, the identity of the high-
16 volume third-party seller, which shall include:

17 (A) The full name of the seller;

18 (B) The full physical address of the seller;

19 (C) Whether the seller also engages in the manufacturing,
20 importing, or reselling of consumer products; and

21 (D) Contact information for the seller, including a working phone
22 number and working email address. Such working email address may be
23 provided to the high-volume third-party seller by the online
24 marketplace.

25 (ii) Any other information determined to be necessary to address
26 circumvention or evasion of the requirements of this subsection
27 (3)(a), provided that the additional information is limited to what
28 is necessary to address such circumvention or evasion.

29 (b) **Exceptions.** (i) Subject to (b)(ii) of this subsection, upon
30 the request of a high-volume third-party seller, an online
31 marketplace may provide for partial disclosure of the identity
32 information required under (a)(i) of this subsection in the following
33 situations:

34 (A) If the high-volume third-party seller demonstrates to the
35 online marketplace that the seller does not have a business address
36 and only has a residential street address, the online marketplace may
37 direct the high-volume third-party seller to disclose only the
38 country and, if applicable, the state in which the high-volume third-
39 party seller resides on the product listing, and may inform consumers
40 that there is no business address available for the seller and that

1 consumer inquiries should be submitted to the seller by phone or
2 email.

3 (B) If the high-volume third-party seller demonstrates to the
4 online marketplace that the seller is a business that has a physical
5 address for consumer product returns, the online marketplace may
6 direct the high-volume third-party seller to disclose the seller's
7 physical address for consumer product returns.

8 (C) If a high-volume third-party seller demonstrates to the
9 online marketplace that the seller does not have a phone number other
10 than a personal phone number, the online marketplace shall inform
11 consumers that there is no phone number available for the seller and
12 that consumer inquiries should be submitted to the seller's email
13 address.

14 (ii) If an online marketplace becomes aware that a high-volume
15 third-party seller has made a false representation to the online
16 marketplace in order to justify the provision of a partial disclosure
17 under (b)(i) of this subsection or that a high-volume third-party
18 seller who has requested and received a provision for a partial
19 disclosure under (b)(i) of this subsection has not provided
20 responsive answers within a reasonable time frame to consumer
21 inquiries submitted to the seller by phone or email address, the
22 online marketplace shall withdraw its provision for partial
23 disclosure and require the full disclosure of the high-volume third-
24 party seller's identity information required under (a)(i) of this
25 subsection upon three business days' notice to the high-volume third-
26 party seller.

27 (c) **Reporting mechanism.** An online marketplace shall disclose to
28 consumers, in a conspicuous manner on the product listing of any
29 high-volume third-party seller, a reporting mechanism that allows for
30 electronic and telephonic reporting of suspicious online marketplace
31 activity to the online marketplace and a message encouraging
32 individuals seeking goods for purchase to report suspicious activity
33 to the online marketplace.

34 (4) **Fulfillment or shipment by different party than seller.** In
35 addition to the requirements of subsection (3) of this subsection, an
36 online marketplace that warehouses, distributes, or otherwise
37 fulfills a consumer product order shall disclose to the consumer the
38 identification of any high-volume third-party seller supplying the
39 consumer product if different than the seller listed on the product
40 listing page.

1 (5) **Enforcement.** (a) A violation of subsections (1) through (4)
2 of this section constitutes an unfair or deceptive act or practice
3 and shall be treated as a violation of the consumer protection act,
4 chapter 19.86 RCW.

5 (b) The attorney general shall enforce this act.

6 (c) The state consumer protection division of the attorney
7 general's office may promulgate regulations with respect to
8 collecting and verifying information under this section, provided
9 that such regulations are limited to what is necessary to collect and
10 verify such information.

11 (6) **Preemption.** No political subdivision may establish, mandate,
12 or otherwise require online marketplaces to verify information from
13 high-volume third-party sellers on a one-time or ongoing basis or
14 disclose information to consumers.

15 (7) **Definitions.** The definitions in this subsection apply
16 throughout this section unless the context clearly requires
17 otherwise.

18 (a) "Consumer product" means any tangible personal property which
19 is distributed in commerce and which is normally used for personal,
20 family, or household purposes, including any such property intended
21 to be attached to, or installed in, any real property without regard
22 to whether it is so attached or installed.

23 (b) "High-volume third-party seller" means a participant in an
24 online marketplace who is a third-party seller and who, in any
25 continuous 12-month period during the previous 24 months, has entered
26 into 200 or more discrete sales or transactions of new or unused
27 consumer products resulting in the accumulation of an aggregate total
28 of \$5,000 or more in gross revenues.

29 (c) "Online marketplace" means any electronically based or
30 accessed platform that:

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

35 (ii) hosts one or more third-party sellers.

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

38 (e) "Third-party seller" means any seller, independent of an
39 operator, facilitator, or owner of an online marketplace, who sells,
40 offers to sell, or contracts to sell a consumer product in the United

1 States through an online marketplace. "Third-party seller" does not
2 include a seller who:

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

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

9 (iii) Has provided to the online marketplace identifying
10 information, as described in subsections (1) and (2) of this section,
11 that has been verified pursuant to those subsections.

12 (f) "Verify" means to confirm information provided to an online
13 marketplace pursuant to this section by the use of:

14 (i) A third-party or proprietary identity verification system
15 that has the capability to confirm a seller's name, email address,
16 physical address, and phone number; or

17 (ii) A combination of two-factor authentication, public records
18 search, and the presentation of a government-issued identification.

19 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of
21 the state government and its existing public institutions, and takes
22 effect immediately.

23 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a
24 new chapter in Title 19 RCW.

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