

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 869

Short Title: Consumer Prot.-Online Marketplace Disclosures. (Public)

Sponsors: Representatives Stevens and Reives (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 5, 2021

A BILL TO BE ENTITLED
AN ACT TO REQUIRE CERTAIN DISCLOSURES TO CONSUMERS OF HIGH-VOLUME
THIRD-PARTY SELLERS USING ONLINE MARKETPLACES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 66 of the General Statutes is amended by adding a new Article to read:

"Article 49.

"Regulation of Online Marketplace Transactions.

"§ 66-480. Purpose.

The General Assembly recognizes that many of its citizens rely heavily on the purchase of goods through online commerce. In order to protect the citizens of North Carolina from purchasing counterfeit or stolen goods from certain high-volume third-party sellers selling these goods through online marketplaces, the General Assembly finds it necessary to require online marketplaces to collect and maintain identifying information for high-volume third-party sellers.

"§ 66-481. Definitions.

As used in this Article, the following definitions apply:

- (1) Consumer goods. – Goods that are bought for use primarily for personal, family, or household purposes.
- (2) High-volume third-party seller. – A participant in an online marketplace that is a third-party seller and that, in any 12-month period during the previous 24 months, has entered into 200 or more discrete sales or transactions of new consumer goods resulting in the accumulation of an aggregate total of five thousand dollars (\$5,000) or more in gross revenues in this State.
- (3) Online marketplace. – Any person or entity that operates an electronically based or accessed platform that is used by one or more third-party sellers for the purpose of facilitating retail sales that are to be delivered, held for pickup, consumed, distributed, or stored for use or consumption within this State.
- (4) Third-party seller. – Any seller, independent of an online marketplace who sells, offers to sell, or contracts to sell a consumer good in this State through an online marketplace.
- (5) Verify. – To confirm information and documents provided to an online marketplace pursuant to this Article to reliably determine that the information and documents provided are valid, correspond to the seller or an individual acting on the seller's behalf, and are not misappropriated or falsified.



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1 **"§ 66-482. Verification of information of high-volume third-party sellers by online**
2 **marketplaces.**

3 (a) An online marketplace shall require that any high-volume third-party seller on the
4 online marketplace's platform provide the online marketplace with the following information
5 within three business days of becoming a high-volume third-party seller:

6 (1) Deposit account information from a financial institution. If the third-party
7 seller does not have deposit account information from a financial institution,
8 the third-party seller shall provide the name of the payee for payments issued
9 by the online marketplace to the third-party seller. The information required
10 under this subdivision may be confirmed by the online marketplace or by a
11 third party contracted by the online marketplace.

12 (2) Contact information, including the following:

13 a. A valid email address and working phone number.

14 b. If the third-party seller is an individual, a copy of a valid
15 government-issued photo identification for that individual that
16 includes the individual's name and physical address.

17 c. If the third-party seller is not an individual, one of the following:

18 1. A copy of a valid government-issued photo identification for
19 an individual acting on behalf of the third-party seller that
20 includes that individual's name and physical address.

21 2. A copy of a government-issued record or tax document that
22 includes the business name and physical address of the
23 third-party seller.

24 (3) A business tax identification number or, if the third-party seller does not have
25 a business tax identification number, a taxpayer identification number.

26 (b) An online marketplace shall verify the information and documents provided under
27 subsection (a) of this section within three business days of receipt of the information and
28 documents. Information contained in a valid government-issued tax document shall be presumed
29 to be verified as of the date the tax document was issued.

30 (c) An online marketplace shall, at least on an annual basis, send a notification to each
31 high-volume third-party seller on its platform requiring that each high-volume third-party seller
32 inform the online marketplace of any changes to the information previously provided pursuant
33 to this section within three business days of receiving the notification. The notification shall
34 require the high-volume third-party seller to electronically certify either that the high-volume
35 third-party seller's information is unchanged or that the high-volume third-party seller provide
36 changes to the information as necessary.

37 (d) If an online marketplace becomes aware that a high-volume third-party seller has
38 neither certified that the high-volume third-party seller's information is unchanged nor has
39 provided changed information within three business days of receiving the notification described
40 in subsection (c) of this section, the online marketplace shall suspend the selling privileges of the
41 high-volume third-party seller until the high-volume third-party seller provides the required
42 certification or changed information.

43 **"§ 66-483. Disclosure of high-volume third-party seller information to consumers.**

44 An online marketplace shall disclose to consumers in a conspicuous manner on the consumer
45 good listing or through a conspicuously placed link on the consumer good listing, the following
46 information:

47 (1) The full name of the high-volume third-party seller.

48 (2) The full physical address of the high-volume third-party seller. If the full
49 physical address is the primary residential address of the high-volume
50 third-party seller, only the city, state, and country of the high-volume
51 third-party seller shall be disclosed.

1 (3) Contact information for the high-volume third-party seller, including a
2 working phone number and working email address. If the only telephone
3 number of the high-volume third-party seller is the personal telephone number
4 of the high-volume third-party seller, then only the working email address or
5 another means of electronic messaging provided by the online marketplace
6 shall be disclosed.

7 (4) The identification of any seller that supplies the consumer good to the
8 consumer upon purchase, if the seller is not the high-volume third-party seller
9 listed on the consumer good listing at the time of purchase.

10 **"§ 66-484. False representations by high-volume third-party sellers.**

11 If an online marketplace is aware that a high-volume third-party seller has made a false
12 representation to the online marketplace in order to restrict the disclosure of the full physical
13 address and telephone number information required under this Article, the online marketplace
14 shall require the full disclosure of the high-volume third-party seller's full physical address and
15 email upon three business days' notice to the high-volume third-party seller. If the required full
16 disclosure is not provided within three business days, the online marketplace shall suspend the
17 selling privileges of the high-volume third-party seller on the online marketplace until the
18 required information is disclosed.

19 **"§ 66-485. Reporting of suspicious activity; additional protections to prevent the sale of**
20 **illicit goods.**

21 (a) An online marketplace shall provide to consumers, in a conspicuous manner on the
22 consumer good listing for any high-volume third-party seller, a reporting mechanism that allows
23 for electronic and telephonic reporting of suspicious activity occurring in the online marketplace
24 and a message encouraging individuals seeking goods for purchase to report suspicious activity
25 to the online marketplace.

26 (b) Nothing in this section shall be construed to prevent an online marketplace from
27 providing any additional measures, electronic or otherwise, that it deems necessary to prevent
28 the sale of fraudulent, stolen, or counterfeit consumer goods on its platform.

29 **"§ 66-486. Violation an unfair and deceptive trade practice.**

30 A violation of this section shall constitute an unfair and deceptive trade practice under
31 G.S. 75-1.1."

32 **SECTION 2.** This act becomes effective December 1, 2021.