



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB5578

Introduced 1/31/2022, by Rep. Ann M. Williams

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Information Disclosure by Online Marketplaces Act. Provides that a third-party seller who, in any continuous 12-month period during the immediately preceding 24 months, has engaged in at least 200 discrete sales or transactions of new or unused consumer products that have resulted in a total of at least \$20,000 in gross revenues shall provide an online marketplace with specified information within 24 hours after becoming a high-volume third-party seller. Provides that an online marketplace shall verify information provided by the high-volume third-party seller. Provides that for consumer products offered for sale on an online marketplace by a high-volume third-party seller, the online marketplace shall disclose specified information in a conspicuous manner. Provides that the Department of Labor may adopt rules necessary to implement the Act.

LRB102 24824 SPS 34069 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Information Disclosure by Online Marketplaces Act.

6 Section 5. Definitions. As used in this Act:

7 "Consumer product" means a product used primarily for  
8 personal, family, or household purposes.

9 "High-volume third-party seller" means a third-party  
10 seller who, in any continuous 12-month period during the  
11 immediately preceding 24 months, has engaged in at least 200  
12 discrete sales or transactions of new or unused consumer  
13 products that have resulted in a total of at least \$20,000 in  
14 gross revenues.

15 "Online marketplace" means an electronically based or  
16 accessed platform that allows, facilitates, or enables  
17 third-party sellers to sell, purchase, store, ship, or deliver  
18 a consumer product in this State.

19 "Third-party seller" means a seller, other than an  
20 operator or owner of an online marketplace, that sells, offers  
21 for sale, or contracts to sell a consumer product in this State  
22 through an online marketplace. "Third-party seller" does not  
23 include a seller that satisfies all of the following:

1           (1) the seller is a business entity that makes  
2 available to the public its name, business address, and  
3 contact information;

4           (2) the seller has an ongoing contractual relationship  
5 with the online marketplace to manufacture, distribute,  
6 sell at wholesale, or fulfill shipments of consumer  
7 products; and

8           (3) the seller provides to the online marketplace the  
9 information described in Section 10 and the online  
10 marketplace verifies the information using a method  
11 described in subsection (c) of Section 15.

12           Section 10. High-volume third-party seller reporting.

13           (1) A third-party seller who becomes a high-volume  
14 third-party seller on an online marketplace shall provide the  
15 online marketplace with the following information within 24  
16 hours after becoming a high-volume third-party seller:

17           (1) if the third-party seller is an individual, a copy  
18 of a government-issued photo identification card for the  
19 individual that includes the individual's name and  
20 physical address; or

21           (2) if the third-party seller is not an individual,  
22 either a copy of a government-issued photo identification  
23 card for an individual who acts on the third-party  
24 seller's behalf that includes the individual's name and  
25 physical address or a copy of a government-issued record

1 or tax document that includes the third-party seller's  
2 business name and physical address; and

3 (3) a working email address and working telephone  
4 number for the third-party seller;

5 (4) a business tax identification number, or, if the  
6 third-party seller does not have a business tax  
7 identification number, a taxpayer identification number;

8 (5) whether the third-party seller exclusively offers  
9 or advertises its consumer products on the online  
10 marketplace; and

11 (6) Whether the third-party seller also engages in  
12 manufacturing, importing, or reselling consumer products.

13 (b) A third-party seller who becomes a high-volume  
14 third-party seller on an online marketplace shall, within 24  
15 hours after becoming a high-volume third-party seller, provide  
16 the third-party seller's bank account information, or, if the  
17 third-party seller does not have a bank account, the name of  
18 the payee for payments issued by the online marketplace to the  
19 third-party seller to either of the following:

20 (1) the online marketplace; or

21 (2) a payment processor or other person contracted by  
22 the online marketplace to maintain the information if the  
23 online marketplace can obtain the information on demand  
24 from the payment processor or other person.

25 (c) At least annually, an online marketplace shall request  
26 each high-volume third-party seller that participates on the

1 online marketplace to inform the online marketplace of any  
2 change to information provided under this subsection.

3 (d) A high-volume third-party seller shall do one of the  
4 following within 10 days after receiving a request described  
5 in subsection (c):

6 (1) if the seller's information previously provided  
7 under this subsection is unchanged, electronically certify  
8 to the online marketplace that the previously provided  
9 information is unchanged; or

10 (2) if the seller's information previously provided  
11 under this subsection has changed, provide to the online  
12 marketplace an update of the information required under  
13 this subsection.

14 (e) If a high-volume third-party seller fails to satisfy  
15 subsection (d) after receiving a request from an online  
16 marketplace described in subsection (c), the online  
17 marketplace shall suspend the high-volume third-party seller  
18 from participating in the online marketplace until the  
19 high-volume third-party seller makes a response described in  
20 subsection (d).

21 Section 15. Verification of high-volume third-party  
22 sellers.

23 (a) An online marketplace shall verify any bank account  
24 information provided under Section (b) of Section 10 unless  
25 the accuracy of the information is confirmed to the online

1 marketplace by a payment processor or other person contracted  
2 by the online marketplace.

3 (b) An online marketplace shall verify information, other  
4 than information contained in a copy of a government-issued  
5 tax document, received under Section 10 within 10 days after  
6 receipt.

7 (c) An online marketplace shall verify information under  
8 this Section by using at least one of the following methods:

9 (1) an identity verification system having the  
10 capability of confirming a third-party seller's name,  
11 email address, physical address, and telephone number; or

12 (2) a combination of two-factor authentication, public  
13 records search, and presentation of government-issued  
14 identification.

15 Section 20. Disclosure of high-volume third-party sellers.

16 (a) Subject to subsection (b), for consumer products  
17 offered for sale on an online marketplace by a high-volume  
18 third-party seller, the online marketplace shall disclose the  
19 following information in a conspicuous manner:

20 (1) the high-volume third-party seller's full name;

21 (2) the high-volume third-party seller's full physical  
22 address;

23 (3) whether the high-volume third-party seller engages  
24 in manufacturing, importing, or reselling consumer  
25 products;

1           (4) the high-volume third-party seller's telephone  
2           number and email address; and

3           (5) any other information the Department of Labor  
4           determines is necessary to prevent evasion of the  
5           requirements under this subsection.

6           (b) If a high-volume third-party seller has only a  
7           residential address and requests that the online marketplace  
8           not disclose that address, the online marketplace shall  
9           disclose only the country, and, if applicable, the state of  
10          the high-volume third-party seller's residence. If a request  
11          is made under this subsection, the online marketplace shall  
12          inform consumers that no business address is available for the  
13          high-volume third-party seller and direct consumers to submit  
14          inquiries to the seller by telephone or email.

15          (c) If a high-volume third-party seller has only a  
16          personal telephone number and requests that the online  
17          marketplace not disclose that telephone number, the online  
18          marketplace may not disclose the telephone number and shall  
19          inform consumers that no telephone number is available for the  
20          high-volume third-party seller and direct consumers to submit  
21          inquiries to the seller's email address.

22          (d) If a high-volume third-party seller is a business that  
23          has a physical address for consumer product returns and  
24          requests that the online marketplace disclose that address to  
25          consumers, the online marketplace shall disclose only the  
26          physical address for consumer product returns.

1 (e) Notwithstanding subsection (a), an online marketplace  
2 shall disclose the information described in subsections (b),  
3 (c), and (d) relating to a high-volume third-party seller 10  
4 days after providing notice to the seller if the seller does  
5 either of the following:

6 (1) makes a false representation to the online  
7 marketplace related to information described in  
8 subsections (b), (c), and (d); or

9 (2) fails to provide a responsive answer within a  
10 reasonable time to a consumer inquiry.

11 Section 25. Reporting mechanism.

12 (a) An online marketplace shall make available in a  
13 conspicuous manner a mechanism for reporting electronically  
14 and by telephone suspicious marketplace activity by a  
15 high-volume third-party seller.

16 (b) An online marketplace shall conspicuously display a  
17 message encouraging consumers to report suspicious activity to  
18 the online marketplace using the mechanism described in  
19 subsection (a).

20 Section 30. Distribution on behalf of another high-volume  
21 third-party seller. If a high-volume third-party seller  
22 distributes a consumer product on behalf of another  
23 high-volume third-party seller, an online marketplace shall  
24 disclose to consumers the information described in subsection



1 (a) of Section 20 related to the original seller of the  
2 product.

3 Section 35. Rules. The Department of Labor may adopt rules  
4 necessary to implement this Act.