

116TH CONGRESS
1ST SESSION

H. R. 3956

To protect consumers from deceptive practices with respect to online booking of hotel reservations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2019

Mr. WELCH (for himself, Mr. BILIRAKIS, and Ms. FRANKEL) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To protect consumers from deceptive practices with respect to online booking of hotel reservations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Online Booking
5 Scams Act of 2019”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **AFFILIATION CONTRACT.**—The term “affili-
9 ation contract” means, with respect to a hotel, a
10 contract with the owner of the hotel, the entity that

1 manages the hotel, or the franchisor of the hotel to
2 provide online hotel reservation services for the
3 hotel.

4 (2) COMMISSION.—The term “Commission”
5 means the Federal Trade Commission.

6 (3) EXHIBITION ORGANIZER OR MEETING PLAN-
7 NER.—The term “exhibition organizer or meeting
8 planner” means the person responsible for all as-
9 pects of planning, promoting, and producing a meet-
10 ing, conference, event, or exhibition, including over-
11 seeing and arranging all hotel reservation plans and
12 contracts for the meeting, conference, event, or exhi-
13 bition.

14 (4) OFFICIAL HOUSING BUREAU.—The term
15 “official housing bureau” means the organization
16 designated by an exhibition organizer or meeting
17 planner to provide hotel reservation services for
18 meetings, conferences, events, or exhibitions.

19 (5) PARTY DIRECTLY AFFILIATED.—The term
20 “party directly affiliated” means, with respect to a
21 hotel, a person who has entered into an affiliation
22 contract with the hotel.

23 (6) THIRD PARTY ONLINE HOTEL RESERVATION
24 SELLER.—The term “third party online hotel res-
25 ervation seller” means any person that—

1 (A) sells any good or service with respect
2 to a hotel in a transaction effected on the inter-
3 net; and

4 (B) is not—

5 (i) a party directly affiliated with the
6 hotel; or

7 (ii) an exhibition organizer or meeting
8 planner or the official housing bureau for
9 a meeting, conference, event, or exhibition
10 held at the hotel.

11 **SEC. 3. REQUIREMENTS FOR THIRD PARTY ONLINE HOTEL**
12 **RESERVATION SELLERS.**

13 (a) REQUIREMENT.—It shall be unlawful for a third
14 party online hotel reservation seller to advertise, market,
15 or promote the sale of a hotel room reservation or charge
16 or attempt to charge any consumer’s credit card, debit
17 card, bank account, or other financial account for any
18 good or service sold in a transaction effected on the inter-
19 net, if the third party online hotel reservation seller states
20 or implies that it is, or is affiliated with, the person who
21 owns the hotel or provides the hotel services or accom-
22 modations.

23 (b) ENFORCEMENT BY COMMISSION.—

24 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
25 TICES.—A violation of subsection (a) by a person

1 subject to such subsection shall be treated as a viola-
2 tion of a rule defining an unfair or deceptive act or
3 practice prescribed under section 18(a)(1)(B) of the
4 Federal Trade Commission Act (15 U.S.C.
5 57a(a)(1)(B)).

6 (2) POWERS OF COMMISSION.—

7 (A) IN GENERAL.—The Commission shall
8 enforce this section in the same manner, by the
9 same means, and with the same jurisdiction,
10 powers, and duties as though all applicable
11 terms and provisions of the Federal Trade
12 Commission Act (15 U.S.C. 41 et seq.) were in-
13 corporated into and made a part of this Act.

14 (B) PRIVILEGES AND IMMUNITIES.—Any
15 person who violates this section shall be subject
16 to the penalties and entitled to the privileges
17 and immunities provided in the Federal Trade
18 Commission Act (15 U.S.C. 41 et seq.).

19 (C) RULEMAKING.—

20 (i) IN GENERAL.—The Commission
21 may promulgate such rules as the Commis-
22 sion considers appropriate to enforce this
23 section.

24 (ii) PROCEDURES.—The Commission
25 shall carry out any rulemaking under

1 clause (i) in accordance with section 553 of
2 title 5, United States Code.

3 (c) ENFORCEMENT BY STATES.—

4 (1) IN GENERAL.—In any case in which the at-
5 torney general of a State has reason to believe that
6 an interest of the residents of the State has been or
7 is being threatened or adversely affected by the en-
8 gagement of any person subject to subsection (a) in
9 a practice that violates such subsection, the attorney
10 general of the State may, as *parens patriae*, bring
11 a civil action on behalf of the residents of the State
12 in an appropriate district court of the United States
13 to obtain appropriate relief.

14 (2) RIGHTS OF FEDERAL TRADE COMMIS-
15 SION.—

16 (A) NOTICE TO FEDERAL TRADE COMMIS-
17 SION.—

18 (i) IN GENERAL.—Except as provided
19 in clause (iii), the attorney general of a
20 State shall notify the Commission in writ-
21 ing that the attorney general intends to
22 bring a civil action under paragraph (1)
23 before initiating any civil action against a
24 person subject to subsection (a).

1 (ii) CONTENTS.—The notification re-
2 quired under clause (i) with respect to a
3 civil action shall include a copy of the com-
4 plaint to be filed to initiate the civil action.

5 (iii) EXCEPTION.—If it is not feasible
6 for the attorney general of a State to pro-
7 vide the notification required by clause (i)
8 before initiating a civil action under para-
9 graph (1), the attorney general shall notify
10 the Commission immediately upon insti-
11 tuting the civil action.

12 (B) INTERVENTION BY FEDERAL TRADE
13 COMMISSION.—The Commission may—

14 (i) intervene in any civil action
15 brought by the attorney general of a State
16 under paragraph (1); and

17 (ii) upon intervening—

18 (I) be heard on all matters aris-
19 ing in the civil action; and

20 (II) file petitions for appeal of a
21 decision in the civil action.

22 (3) INVESTIGATORY POWERS.—Nothing in this
23 subsection may be construed to prevent the attorney
24 general of a State from exercising the powers con-

ferred on the attorney general by the laws of the State—

(A) to conduct investigations;

(B) to administer oaths or affirmations; or

(C) to compel the attendance of witnesses or the production of documentary or other evidence.

(4) STATE COORDINATION WITH FEDERAL TRADE COMMISSION.—If the Commission institutes a civil action or an administrative action with respect to a violation of subsection (a), the attorney general of a State shall coordinate with the Commission before bringing a civil action under paragraph (1) against any defendant named in the complaint of the Commission for the violation with respect to which the Commission instituted such action.

(5) VENUE; SERVICE OF PROCESS.—

(A) VENUE.—Any action brought under paragraph (1) may be brought in—

(i) the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code; or

(ii) another court of competent jurisdiction.

1 (B) SERVICE OF PROCESS.—In an action
2 brought under paragraph (1), process may be
3 served in any district in which the defendant—

4 (i) is an inhabitant; or

5 (ii) may be found.

6 (6) ACTIONS BY OTHER STATE OFFICIALS.—

7 (A) IN GENERAL.—In addition to civil ac-
8 tions brought by attorneys general under para-
9 graph (1), any other officer of a State who is
10 authorized by the State to do so may bring a
11 civil action under paragraph (1), subject to the
12 same requirements and limitations that apply
13 under this subsection to civil actions brought by
14 attorneys general.

15 (B) SAVINGS PROVISION.—Nothing in this
16 subsection may be construed to prohibit an au-
17 thorized official of a State from initiating or
18 continuing any proceeding in a court of the
19 State for a violation of any civil or criminal law
20 of the State.

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