

116TH CONGRESS
1ST SESSION

S. 2229

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

IN THE SENATE OF THE UNITED STATES

JULY 23, 2019

Mr. DAINES (for himself and Ms. KLOBUCHAR) introduced the following bill;
which was read twice and referred to the Committee on Commerce,
Science, and Transportation

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

1 contract with the owner of the hotel, the entity that
2 manages the hotel, or the franchisor of the hotel to
3 provide online hotel reservation services for the
4 hotel.

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

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

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

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

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

4 (A) sells any good or service with respect
 5 to a hotel in a transaction effected on the Inter-
 6 net; and

7 (B) is not—

8 (i) a party directly affiliated with the
 9 hotel; or

10 (ii) an exhibition organizer or meeting
 11 planner or the official housing bureau for
 12 a meeting, conference, event, or exhibition
 13 held at the hotel.

14 **SEC. 3. REQUIREMENTS FOR THIRD PARTY ONLINE HOTEL**
 15 **RESERVATION SELLERS.**

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

1 (b) ENFORCEMENT BY COMMISSION.—

2 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
3 TICES.—A violation of subsection (a) by a person
4 subject to such subsection shall be treated as a viola-
5 tion of a rule defining an unfair or deceptive act or
6 practice prescribed under section 18(a)(1)(B) of the
7 Federal Trade Commission Act (15 U.S.C.
8 57a(a)(1)(B)).

9 (2) POWERS OF COMMISSION.—

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

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

22 (C) RULEMAKING.—

23 (i) IN GENERAL.—The Commission
24 may promulgate such rules as the Commis-

1 sion considers appropriate to enforce this
2 section.

3 (ii) PROCEDURES.—The Commission
4 shall carry out any rulemaking under
5 clause (i) in accordance with section 553 of
6 title 5, United States Code.

7 (c) ENFORCEMENT BY STATES.—

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

18 (2) RIGHTS OF FEDERAL TRADE COMMIS-
19 SION.—

20 (A) NOTICE TO FEDERAL TRADE COMMIS-
21 SION.—

22 (i) IN GENERAL.—Except as provided
23 in clause (iii), the attorney general of a
24 State shall notify the Commission in writ-
25 ing that the attorney general intends to

bring a civil action under paragraph (1) before initiating any civil action against a person subject to subsection (a).

(ii) CONTENTS.—The notification required under clause (i) with respect to a civil action shall include a copy of the complaint to be filed to initiate the civil action.

(iii) EXCEPTION.—If it is not feasible for the attorney general of a State to provide the notification required by clause (i) before initiating a civil action under paragraph (1), the attorney general shall notify the Commission immediately upon instituting the civil action.

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

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

(ii) upon intervening—

(I) be heard on all matters arising in the civil action; and

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

1 (3) INVESTIGATORY POWERS.—Nothing in this
2 subsection may be construed to prevent the attorney
3 general of a State from exercising the powers con-
4 ferred on the attorney general by the laws of the
5 State—

6 (A) to conduct investigations;

7 (B) to administer oaths or affirmations; or

8 (C) to compel the attendance of witnesses
9 or the production of documentary or other evi-
10 dence.

11 (4) STATE COORDINATION WITH FEDERAL
12 TRADE COMMISSION.—If the Commission institutes a
13 civil action or an administrative action with respect
14 to a violation of subsection (a), the attorney general
15 of a State shall coordinate with the Commission be-
16 fore bringing a civil action under paragraph (1)
17 against any defendant named in the complaint of the
18 Commission for the violation with respect to which
19 the Commission instituted such action.

20 (5) VENUE; SERVICE OF PROCESS.—

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

23 (i) the district court of the United
24 States that meets applicable requirements

1 relating to venue under section 1391 of
 2 title 28, United States Code; or

3 (ii) another court of competent juris-
 4 diction.

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

8 (i) is an inhabitant; or

9 (ii) may be found.

10 (6) ACTIONS BY OTHER STATE OFFICIALS.—

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

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

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