

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.

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## 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

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## 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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