

114TH CONGRESS
2D SESSION

H. R. 4526

To amend the Restore Online Shoppers' Confidence Act to protect consumers from deceptive practices with respect to online booking of hotel reservations and to direct the Federal Trade Commission to conduct a study with respect to online shopping for hotel reservations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2016

Ms. FRANKEL of Florida (for herself, Ms. ROS-LEHTINEN, Mr. SHUSTER, Mr. DEUTCH, Mrs. MIMI WALTERS of California, Mr. MURPHY of Florida, Ms. CASTOR of Florida, Mr. HECK of Nevada, Mr. HASTINGS, Mr. MILLER of Florida, Mr. POLIQUIN, Mr. QUIGLEY, Mr. TAKANO, and Mr. JOHNSON of Georgia) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Restore Online Shoppers' Confidence Act to protect consumers from deceptive practices with respect to online booking of hotel reservations and to direct the Federal Trade Commission to conduct a study with respect to online shopping for 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Stop Online Booking
3 Scams Act of 2016”.

4 **SEC. 2. PROTECTION FROM DECEPTIVE ONLINE BOOKING**
5 **PRACTICES.**

6 The Restore Online Shoppers’ Confidence Act (15
7 U.S.C. 8401 et seq.) is amended—

8 (1) in section 2, by adding at the end the fol-
9 lowing new paragraph:

10 “(9) Hotel reservation transactions can be eas-
11 ily made online. Online commerce has created the
12 opportunity for third party sellers to offer hotel res-
13 ervations online while another company owns the
14 hotel or provides the services purchased by the con-
15 sumer. A consumer should have the utmost clarity
16 as to which company such consumer is transacting
17 with online. Actions by third party sellers that mis-
18 appropriate brand identity, trademark, and other
19 marketing content are harmful to consumers.”;

20 (2) in section 3—

21 (A) by redesignating subsections (c) and
22 (d) as subsections (d) and (e), respectively; and

23 (B) by inserting after subsection (b) the
24 following new subsection:

25 “(c) REQUIREMENTS FOR THIRD PARTY ONLINE
26 HOTEL RESERVATION SELLERS.—

1 “(1) IN GENERAL.—It shall be unlawful for a
2 third party online hotel reservation seller to charge
3 or attempt to charge any consumer’s credit card,
4 debit card, bank account, or other financial account
5 for any good or service sold in a transaction effected
6 on the Internet, unless the third party online hotel
7 reservation seller clearly and conspicuously discloses
8 to the consumer all material terms of the trans-
9 action, including—

10 “(A) before the conclusion of the trans-
11 action—

12 “(i) a description of the good or serv-
13 ice being offered; and

14 “(ii) the cost of such good or service;
15 and

16 “(B) in a manner that is continuously visi-
17 ble to the consumer throughout the transaction
18 process, the fact that the third party online
19 hotel reservation seller is a third party seller
20 and is not affiliated with the person who owns
21 the hotel or provides the hotel services or ac-
22 commodations.

23 “(2) DEFINITIONS.—In this subsection:

24 “(A) COMMISSION.—The term ‘Commis-
25 sion’ means the Federal Trade Commission.

1 “(B) THIRD PARTY ONLINE HOTEL RES-
2 ERVATION SELLER.—The term ‘third party on-
3 line hotel reservation seller’ means a person
4 that sells, or offers for sale, hotel reservations
5 on the Internet and is not affiliated with the
6 person who owns the hotel or provides the hotel
7 services or accommodations.”; and

8 (3) in section 6(a), by striking the period at the
9 end and inserting “, damages, restitution, or other
10 compensation on behalf of residents of the State, or
11 such other relief that the court determines appro-
12 priate.”.

13 **SEC. 3. STUDY AND REPORT.**

14 (a) STUDY.—The Federal Trade Commission shall
15 conduct a study on online hotel reservation shopping. Such
16 study shall include an assessment of—

17 (1) the capacity of a consumer to understand
18 which company such consumer is transacting with
19 during online hotel reservation shopping;

20 (2) the extent to which consumers are harmed
21 by uncertainty as to which company such consumers
22 are transacting with during online hotel reservation
23 shopping; and

1 (3) whether any practice by a third party online
2 hotel reservation seller violates the Restore Online
3 Shoppers' Confidence Act (15 U.S.C. 8401 et seq.).

4 (b) REPORT.—Not later than 120 days after the date
5 of the enactment of this Act, the Federal Trade Commis-
6 sion shall make publicly available on the website of the
7 Commission a report that contains the results and conclu-
8 sions of the study conducted under subsection (a).

9 (c) THIRD PARTY ONLINE HOTEL RESERVATION
10 SELLER DEFINED.—In this section, the term “third party
11 online hotel reservation seller” has the meaning given such
12 term in subsection (c)(2) of section 3 of the Restore On-
13 line Shoppers' Confidence Act (15 U.S.C. 8402).

14 **SEC. 4. SENSE OF CONGRESS.**

15 It is the sense of Congress that the Federal Trade
16 Commission should revise its website to make it easier for
17 consumers and businesses to report complaints of decep-
18 tive practices with respect to online booking of hotel res-
19 ervations.

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