

SB2311



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2311

Introduced 2/26/2021, by Sen. Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

815 ILCS 505/2WWW new

Amends the Consumer Fraud and Deceptive Business Practices Act. Provides for the regulation of payments for software applications and purchases. Prohibits a proprietor of a digital application distribution platform from requiring a developer to use an in-application payment system as the exclusive mode of accepting payment from a user to download a software application or purchase a digital or physical product. Prohibits retaliation against a developer that chooses alternative application stores or payment systems. Defines terms.

LRB102 16371 JLS 21758 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 5. The Consumer Fraud and Deceptive Business
5 Practices Act is amended by adding Section 2WWW as follows:

6 (815 ILCS 505/2WWW new)

7 Sec. 2WWW. Software applications; in-application payment;
8 prohibitions.

9 (a) As used in this Section:

10 "Developer" means a creator of a software application made
11 available for download by a user through a digital application
12 distribution platform or other digital distribution platform.

13 "Digital application distribution platform" means a
14 digital distribution platform for applications and services
15 provided to a user on general-purpose hardware, including a
16 mobile phone, smartphone, tablet, personal computer, and other
17 general-purpose devices connected to the Internet.

18 "In-application payment system" means an application,
19 service, or user interface used to process a payment from a
20 user to a developer for a software application and digital and
21 physical product distributed through a software application.

22 "Special-purpose digital application distribution
23 platform" means a digital distribution platform for single or

1 specialized categories of applications, software, and services
2 provided to a user on special-purpose hardware, including a
3 gaming console, music player, and other special-purpose
4 devices connected to the Internet.

5 (b) A proprietor of a digital application distribution
6 platform for which cumulative gross receipts from sales on the
7 digital application distribution platform to residents of this
8 State exceed \$10,000,000 in the previous or current calendar
9 year may not:

10 (1) Require a developer to use an in-application
11 payment system as the exclusive mode of accepting payment
12 from a user to download a software application or purchase
13 a digital or physical product through a software
14 application.

15 (2) Retaliate against a developer for choosing to use
16 an alternative application store or in-application payment
17 system.

18 (c) An agreement that violates this Section is
19 unenforceable and constitutes an unlawful practice within the
20 meaning of this Act.

21 (d) This Section does not apply to a proprietor of a
22 special-purpose digital application distribution platform.

23 (e) The Attorney General shall receive complaints and
24 investigate violations of this Section and may bring an action
25 as provided in this Act to obtain the legal or equitable relief
26 on behalf of an individual aggrieved by the violation.