



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2005: education; federal funds; technical correction
S/E: prohibitions; digital application distribution platforms
Sponsor: Representative Cobb, LD 5
Committee on Commerce

Summary of the Strike-Everything Amendment to HB 2005

Overview

Restricts the ability of certain *digital application distribution platforms* to require use of a specific *in-application payment system*.

History

There is no current law that addresses this subject. As a result, many digital application distribution platforms, which distribute software and other applications to mobile phones, tablets and personal computers via the Internet, operate under their own terms and conditions and privacy policies.

Provisions

1. Prohibits a provider of a *digital application distribution platform* whose cumulative downloads from Arizona users in a calendar year exceed 1,000,000 from:
 - a) Requiring an Arizona-domiciled developer or Arizona user to use a specific *in-application payment system* as the sole method of accepting payments for either a software download or a digital or physical product; or
 - b) Retaliating against an Arizona-domiciled developer or Arizona user for using an *in-application payment system* or *digital application distribution platform* not associated with the provider. (Sec. 1)
2. States that an agreement that violates the prohibition is unenforceable and unlawful. (Sec. 1)
3. Exempts *digital distribution platforms* used for specialized categories of applications that are provided to users of hardware intended for specific purposes (such as gaming consoles and music players) from the prohibitions. (Sec. 1)
4. Allows the Attorney General to bring an action on behalf of aggrieved parties and seek legal or equitable relief on their behalf. (Sec. 1)
5. Allows a person aggrieved by a violation of the prohibition to bring an action and seek injunctive or equitable relief, damages, taxable costs and attorney fees. (Sec. 1)
6. Defines *Arizona user*, *developer*, *digital application distribution platform*, *domiciled in this state*, *in-application payment system*, *provider* and *special-purpose digital application distribution platform*. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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