

REFERENCE TITLE: prohibitions; digital application distribution platforms

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

# HB 2662

Introduced by  
Representatives Cobb: Biasiucci, Kaiser, Wilmeth

AN ACT

AMENDING TITLE 18, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 7; RELATING  
TO DIGITAL APPLICATION DISTRIBUTION PLATFORMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 18, Arizona Revised Statutes, is amended by adding  
3 chapter 7, to read:

4 CHAPTER 7

5 DIGITAL APPLICATION DISTRIBUTION PLATFORMS

6 ARTICLE 1. GENERAL PROVISIONS

7 18-701. Digital application distribution platforms;  
8 prohibitions; exception; attorney general;  
9 definitions

10 A. A PROVIDER OF A DIGITAL APPLICATION DISTRIBUTION PLATFORM FOR  
11 WHICH CUMULATIVE DOWNLOADS OF SOFTWARE APPLICATIONS FROM THE DIGITAL  
12 APPLICATION DISTRIBUTION PLATFORM TO ARIZONA USERS EXCEED ONE MILLION  
13 DOWNLOADS IN THE PREVIOUS OR CURRENT CALENDAR YEAR MAY NOT DO ANY OF THE  
14 FOLLOWING:

15 1. REQUIRE A DEVELOPER THAT IS DOMICILED IN THIS STATE TO USE  
16 IN-APPLICATION PAYMENT SYSTEMS THAT ARE OWNED OR CONTROLLED BY THE DIGITAL  
17 APPLICATION DISTRIBUTION PLATFORM AS THE EXCLUSIVE MODE OF ACCEPTING  
18 PAYMENTS FROM A USER TO DOWNLOAD A SOFTWARE APPLICATION OR PURCHASE A  
19 DIGITAL OR PHYSICAL PRODUCT OR SERVICE THROUGH A SOFTWARE APPLICATION.

20 2. REQUIRE EXCLUSIVE USE OF IN-APPLICATION PAYMENT SYSTEMS THAT ARE  
21 OWNED OR CONTROLLED BY THE DIGITAL APPLICATION DISTRIBUTION PLATFORM FOR  
22 ACCEPTING PAYMENTS FROM ARIZONA USERS TO DOWNLOAD A SOFTWARE APPLICATION  
23 OR PURCHASE A DIGITAL OR PHYSICAL PRODUCT OR SERVICE THROUGH A SOFTWARE  
24 APPLICATION.

25 3. RETALIATE AGAINST A DEVELOPER THAT IS DOMICILED IN THIS STATE  
26 FOR OFFERING OR AN ARIZONA USER FOR USING AN IN-APPLICATION PAYMENT SYSTEM  
27 THAT IS NOT OWNED BY, OPERATED BY OR AFFILIATED WITH THE PROVIDER OR  
28 RETALIATE AGAINST A DEVELOPER FOR OFFERING AN IN-APPLICATION PAYMENT  
29 SYSTEM THAT IS NOT OWNED BY, OPERATED BY OR AFFILIATED WITH THE PROVIDER  
30 TO ACCEPT PAYMENTS FROM ARIZONA USERS. SUCH PROHIBITED ACTS INCLUDE  
31 DEMOTING THE SEARCH RANKINGS OF THE DEVELOPER, SHIFTING FEES TOWARD THE  
32 DEVELOPER OR SLOWING DOWN THE APPLICATION REVIEW AND APPROVAL TIMELINES.

33 B. THIS SECTION DOES NOT APPLY WITH RESPECT TO SPECIAL-PURPOSE  
34 DIGITAL APPLICATION DISTRIBUTION PLATFORMS.

35 C. THE ATTORNEY GENERAL MAY RECEIVE COMPLAINTS AND INVESTIGATE  
36 VIOLATIONS OF THIS SECTION AND MAY BRING AN ACTION IN ANY COURT OF  
37 COMPETENT JURISDICTION TO OBTAIN LEGAL OR EQUITABLE RELIEF ON BEHALF OF A  
38 PERSON AGGRIEVED BY THE VIOLATION.

39 D. ANY PERSON AGGRIEVED BY A VIOLATION OF THIS SECTION MAY COMMENCE  
40 A CIVIL ACTION ON THE PERSON'S OWN BEHALF IN ANY COURT OF COMPETENT  
41 JURISDICTION TO OBTAIN LEGAL OR EQUITABLE RELIEF, INCLUDING REASONABLE  
42 ATTORNEY FEES AND COSTS.

43 E. AN ACTION MAY NOT BE COMMENCED UNDER SUBSECTION D OF THIS  
44 SECTION UNTIL SIXTY DAYS AFTER THE PLAINTIFF HAS GIVEN NOTICE OF THE  
45 ALLEGED VIOLATION TO THE ATTORNEY GENERAL. AN ACTION MAY NOT BE COMMENCED

1 UNDER SUBSECTION D OF THIS SECTION IF THE ATTORNEY GENERAL HAS COMMENCED  
2 AND IS DILIGENTLY PROSECUTING AN ACTION IN COURT ARISING FROM THE SAME  
3 ALLEGED VIOLATION.

4 F. FOR THE PURPOSES OF THIS SECTION:

5 1. "ARIZONA USER" MEANS A USER WHOSE MOST RECENT ADDRESS SHOWN IN  
6 THE RECORDS OF A PROVIDER IS LOCATED WITHIN THIS STATE.

7 2. "DEVELOPER" MEANS A CREATOR OF SOFTWARE APPLICATIONS THAT ARE  
8 MADE AVAILABLE FOR DOWNLOAD BY USERS THROUGH A DIGITAL APPLICATION  
9 DISTRIBUTION PLATFORM OR OTHER DIGITAL DISTRIBUTION PLATFORM.

10 3. "DIGITAL APPLICATION DISTRIBUTION PLATFORM":

11 (a) MEANS A DIGITAL DISTRIBUTION PLATFORM FOR APPLICATIONS AND  
12 SERVICES THAT ARE PROVIDED TO USERS ON MOBILE PHONES, SMARTPHONES OR OTHER  
13 MOBILE COMPUTING DEVICES AND THE DEVICES RUN A MOBILE OPERATING SYSTEM  
14 THAT IS OWNED OR CONTROLLED BY THE PROVIDER OF THE DIGITAL DISTRIBUTION  
15 PLATFORM.

16 (b) INCLUDES A DIGITAL DISTRIBUTION PLATFORM THAT IS PROVIDED OR  
17 USED FOR ONLY CERTAIN TYPES OF DEVICES, SUCH AS CERTAIN GRADES OF  
18 COMPUTING DEVICES, DEVICES THAT ARE MADE BY ONLY A PARTICULAR MANUFACTURER  
19 OR DEVICES THAT RUN A PARTICULAR OPERATING SYSTEM.

20 4. "DOMICILED IN THIS STATE" MEANS A PERSON THAT CONDUCTS IN THIS  
21 STATE THE SUBSTANTIAL PORTION OF WORK TO CREATE OR TO MAINTAIN DIGITAL  
22 APPLICATIONS.

23 5. "IN-APPLICATION PAYMENT SYSTEM" MEANS AN APPLICATION, SERVICE OR  
24 USER INTERFACE THAT IS USED TO PROCESS PAYMENTS FROM USERS TO DEVELOPERS  
25 FOR SOFTWARE APPLICATIONS AND DIGITAL AND PHYSICAL PRODUCTS AND SERVICES  
26 DISTRIBUTED THROUGH SOFTWARE APPLICATIONS.

27 6. "PROVIDER" MEANS A PERSON THAT OWNS, OPERATES, IMPLEMENTS OR  
28 MAINTAINS A DIGITAL APPLICATION DISTRIBUTION PLATFORM OR AN IN-APPLICATION  
29 PAYMENT SYSTEM.

30 7. "SPECIAL-PURPOSE DIGITAL APPLICATION DISTRIBUTION PLATFORM"  
31 MEANS A DIGITAL DISTRIBUTION PLATFORM ESTABLISHED PRIMARILY FOR USE BY  
32 PUBLIC SAFETY AGENCIES OR FOR SINGLE OR SPECIALIZED CATEGORIES OF  
33 APPLICATIONS, SOFTWARE AND SERVICES THAT ARE PROVIDED TO USERS ON HARDWARE  
34 INTENDED PRIMARILY FOR SPECIFIC PURPOSES, INCLUDING GAMING CONSOLES, MUSIC  
35 PLAYERS AND OTHER SPECIAL-PURPOSE DEVICES THAT ARE CONNECTED TO THE  
36 INTERNET.