



TO: House Government Accountability and Oversight Committee
FROM: Gary Daniels, Chief Lobbyist, ACLU of Ohio
DATE: May 3, 2016
RE: House Bill 476

To Chairman Brown, Vice Chair Blessing, Ranking Member Clyde, and members of the House Government Accountability and Oversight Committee, my name is Gary Daniels, chief lobbyist for the American Civil Liberties Union of Ohio ("ACLU of Ohio") and I appear to present opponent testimony on House Bill 476.

On its face, HB 476 is simple. It forbids any contract between the State of Ohio and a business entity that boycotts or disinvests from Israel when those actions are taken to protest the Israeli government.

However, the ramifications are far-reaching, troublesome, and potentially unconstitutional, in ways I am unsure if sponsors, proponents, or this committee have considered.

First, HB 476 places zero limits on what types of policies, laws or actions of the government of Israel are subject to this boycott ban. Let's say Israel's government decides to place any number of taxes, tariffs, or restrictions on goods imported from the United States or just Ohio. Accordingly, a corporation decides continued business in and with Israel is no longer in their best financial interests. House Bill 476 forbids that decision, should that business wish to keep its contract with the State of Ohio.

HB 476 is so extremely broad it also forbids businesses from ending relationships with other businesses and corporations in Israel whether or not that corporation is controlled by the Israeli government, is a totally private corporation, or even if it is a foreign-owned business merely operating in Israel. Again, this applies to businesses wishing to keep their contracts with Ohio and applies to any and all policies, laws, or actions by the Israeli government.

This legislation is so expansive it does not even limit its reach to where the boycotting company is located. In other words, it applies to all corporations, businesses, and other business entities whether they are located in Ohio, somewhere else in the U.S., or anywhere on the planet. So long as they have or desire to have a contract with the State of Ohio.

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Also troubling is the lack of any mention or detail as to how exactly government officials will enforce HB 476. What state agencies or departments will be responsible for enforcing these prohibitions? Exactly what criteria will they use to investigate and determine why exactly a business entity in Toledo, Texas, or Tokyo decided to stop doing business with Israel? Will this involve subpoenas or demands for business records, emails and other internal communications? Or maybe the monitoring of Facebook, Twitter, and other social media? Will business owners and CEOs be called before a government committee to justify their business decisions? All such actions by the State of Ohio raise serious First Amendment concerns as does HB 476 itself.

In addition, the ACLU of Ohio anticipates once HB 476 establishes a precedent of tying such conditions to state contracts it will be only a matter of time before we see additional laws from the legislature applied to business involving other countries.

Not only could HB 476 be used to expand to boycotts of more countries, it could set a precedent for depriving contracts to corporations that have taken other types of political positions. Could or should the Ohio General Assembly forbid state contracts to those who refuse to support Hillary Clinton for president? Or sever contracts with those supporting the Second Amendment? Or maybe those who oppose *Roe v. Wade*?

If your answer is "no" or "that does not sound right to me" in those more narrowly-tailored situations then surely you see the problems of House Bill 476, a bill with almost no limits on reasons or geography, except for the variable of Israel.

Finally, it is common inside and outside the Statehouse to hear legislators and elected officials talk about making Ohio a business-friendly state, cutting red tape, and shrinking meddlesome bureaucracy. Yet, HB 476 perpetuates all the same problems people spend so much time criticizing.

Members of this committee, there are many reasons to oppose HB 476 beyond those just mentioned. At a minimum, it is wholly unneeded. At its core, this bill is Big Government run amok. The ACLU of Ohio urges this committee's rejection of House Bill 476.