



Senate Bill 301
Interested Party Testimony
Presented by Kristin Mullins, President/CEO
Ohio Grocers Association
November 18, 2020

Chair Eklund, Vice Chair Manning, Ranking Member Thomas, and members of the Ohio Senate Judiciary Committee, thank you for this opportunity to provide comments on Senate Bill 301 regarding price gouging.

The Ohio Grocers Association appreciates the attention Attorney General Yost has given to the unconscionable acts of hiking prices without cause on critical items needed during this pandemic. We applaud efforts to call out individuals or businesses trying to take advantage of the situation for their own profit without regard for the health and safety of all Ohio citizens. We understand that concerns about such practices led to the development of proposed SB 301 pending in this committee. Unfortunately, there are elements to the bill that cause us serious concern and we share those with you through this testimony.

We understand the bill as proposed covers two key areas: limits on product sales during an emergency, and price gouging. As to the first, granting the Attorney General authority to place limitations on product sales within our stores creates a significant level of concern among our members. As you know, grocers have been on the front lines of this pandemic from the very beginning, assisting Ohioans in feeding their families during this emergency. Grocers communicate with their supply chain partners every day about availability of product throughout that chain, and they witness firsthand the buying behaviors of their customers. They have been and continue to be in the best position to determine if limits on the number of items a customer is buying are appropriate under any situation regardless of the cause. There are circumstances in which the supply of certain goods is limited from wholesalers, processors or producers for any number of reasons, and store owners have been dealing with those circumstances successfully on their own for decades. When supplies are limited, the store owner, not an outside party, must decide whether to create store policies that impact purchasing options. We would respectfully ask that you consider removing these provisions in the bill.

As to price gouging, our members also expressed concern as we understand the Attorney General can already bring and has successfully brought an action under the Consumer Sales Practices Act (CSPA) to address an incident of consumer fraud of the nature envisioned under this bill. However, should a separate and specific statute on price gouging be warranted, and if it is the will of this legislature, OGA would welcome more specificity and limitations on its scope and use. Again, we know and appreciate that targeting egregious behavior is the intent of this proposal. We want to work with you to be certain that is what the final language reflects.

Provisions such as those addressing what triggers an emergency, whether it is a federal or state determination and who declares it, are important to us as well as how long any price controls might be in place. How price gouging is defined and whether that involves an increase over a specified amount like many other states use, or some other mechanism that makes it clear it is unusual and significantly different than the regular price, is an area we would hope to explore with you should you continue developing this proposal. We want to ensure that market driven price increases that often come when products become scarce or in high demand are not swept into the enforcement net unintentionally.

We welcome the opportunity to continue our discussions with the sponsors of the bill and the Attorney General's office, along with our retail colleagues, to identify the best means to address businesses who may be trying to game the system.

Thank you for the opportunity to share concerns and continue to explore more workable options.