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November 10, 2020

The Honorable John Eklund
Chair, Ohio Senate Judiciary Committee
1 Capitol Square, 1st Floor
Columbus, OH 43215

Dear Chairman Eklund:

I am writing on behalf of our nearly 22,000 governing members to express concerns related to Senate Bill 301, legislation pending before the Ohio Senate Judiciary Committee. Our association wants to ensure businesses are not artificially or arbitrarily raising the costs of products they sell during a public health crisis such as a pandemic. However, we are concerned that Senate Bill 301 as currently drafted will inadvertently subject our members to penalties under the Consumers Sales Practices Act when they had no malicious intent.

By way of background, NFIB members come from all industry sectors in all 88 counties across Ohio. Our typical member employs 15 or fewer and has less than \$2 million in gross receipts. The current pandemic has left many of our members with significant year-over-year revenue decreases. A recent survey of our membership shows nearly half of our members have seen declines between 20 and 50 percent. About one-in-five small business owners report they will have to close their doors if current economic conditions do not improve over the next six months.

Senate Bill 301 is aimed at protecting consumers from nefarious vendors looking to exploit a public health emergency by charging grossly excessive prices for goods needed to sustain the life, health, or safety of persons or their property during the time of the emergency. NFIB does not condone such behavior. However, the wording of the bill is very subjective and could place a business owner who has increased prices as the result of their costs increasing on the products they manufacture, distribute, or sell in their businesses.

Senate Bill 301 does allow for a business to justify increased prices. We are concerned with the subjectivity of how a business can "establish with reasonable certainty that their price increase is related to any reasonable but unforeseen circumstances." There may be situations where a good was \$1.00 pre-public health emergency but because of supply chain disruptions and the cost of delivery is now \$1.25. This constitutes a 25 percent increase. Does this constitute a grossly excessive price?

We appreciate the intent of Senators Manning and Wilson as well as Attorney General Yost to prevent individuals from taking advantage of a public health emergency by charging grossly excessive prices. We believe the subjective wording of Senate Bill 301 has the potential to unintentionally snare businesses

that have experienced increased costs of providing goods and services. We look forward to working with interested parties to address the underlying goal of Senate Bill 301.

Thank you for the opportunity to provide comments on Senate Bill 301.

Sincerely,

A handwritten signature in black ink, appearing to read "C. J. Ferruso", written in a cursive style.

Christopher J. Ferruso
Ohio Legislative Director

cc: Ohio Senate Judiciary Committee