



Senators George Lang and Michael Rulli
Senate Bill 184
Sponsor Testimony
House Commerce and Labor Committee

Chairman Stein, Vice Chair Johnson, and Ranking Member Lepore-Hagan, thank you for allowing myself and my joint sponsor Senator Rulli the opportunity to provide sponsor testimony on Senate Bill 184, which aims to provide online marketplace transparency, thereby protecting consumers and supporting businesses.

Organized retail crime rings are increasingly peddling stolen and counterfeit merchandise on online marketplaces, forming a multi-billion dollar criminal enterprise involving well-connected, sophisticated groups committing crimes across several municipalities, states, and countries. The pandemic has only exacerbated this problem as more people, especially those less familiar with online shopping such as seniors, have been forced to do more of their shopping online.

Seeking to provide a solution, SB 184 provides marketplace transparency, which protects consumers and legitimate businesses alike by requiring simple authentication of third-party sellers operating on online marketplaces. By requiring online marketplaces to verify basic information that reputable businesses readily provide, we can weed out criminals who sell counterfeit and stolen items online.

Specifically, SB 184 requires that online marketplaces verify only the following basic information of their third-party sellers: Name, Address, Email, Phone Number, Tax ID, and Bank Account Information. **It should be noted that this information is already collected by online marketplaces; the bill simply requires these platforms to take the responsible and necessary steps of**

verifying the authenticity of the information provided by their third-party sellers.

Taking this extra step of verification does not harm small businesses and entrepreneurs. If anything, it enhances the reputation of legitimate sellers by removing scammers and criminal elements from using the same platform, and it ensures that legitimate small businesses are not forced to compete against criminals selling knockoffs or stolen goods. Reputable retailers operate their own online marketplaces and believe all retailers should do everything in their power to keep stolen and fraudulent products off their platforms.

To better protect consumers, SB 184 simply requires that third-party sellers provide some means of communication with their customers, such as an email or a clickable link. Reputable sellers, whether operating brick-and-mortar locations or online sites, provide consumers recourse when issues arise with a purchase. SB 184 extends that same basic protection to consumers purchasing products via online marketplaces. Furthermore, while in Senate Committee, three amendments were added to SB 184. The first provides that if a seller is a participant in the Safe at Home Program, an online marketplace may only require the seller to disclose the address designated by the Secretary of State. The second amendment exempts new motor vehicle dealers licensed under the Ohio Motor Vehicle Dealers Law from the definition of “seller.” The third and final amendment was an LSC technical amendment.

Although bi-partisan legislation much like SB 184 has been introduced in Congress, Ohio cannot afford to wait on Washington. Ohio should take the lead by passing SB 184, which will curtail organized retail crime while simultaneously helping to protect Ohio working families and businesses.

Ohioans deserve the assurance that the products they are purchasing via online marketplaces are legitimate. Additionally, Ohioans deserve the right to know who they are buying from on these marketplaces. They also deserve to know exactly where these products are coming from. SB 184 helps codify these rights. We appreciate your time, and would be happy to answer any questions.