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Chairman Manning, Vice Chair Reynolds, Ranking Member Hicks-Hudson, and members of the Senate Judiciary Committee, thank you for allowing the opportunity to present sponsor testimony on House Bill 366, the Fight Organized Retail Crime and Empower Law Enforcement Act (FORCE Act). This necessary legislation establishes an organized retail theft task force dedicated to combating organized retail theft under the jurisdiction of the Organized Crime Investigations Commission.

Organized Retail Crime (ORC) represents an economic challenge for Ohio, amounting to billions of dollars in losses. It transcends mere petty theft, instead involving planned, large-scale, coordinated operations targeting retailers across various jurisdictions, including municipalities, counties, and even states. According to the National Retail Federation's Annual Survey of Loss Prevention Executives, 67% of respondents reported a surge in incidents related to Organized Retail Crime.

The repercussions of such crime extend beyond financial losses. Increased criminal activity disrupts businesses and threatens the safety of consumers and

employees alike. Nearly half of surveyed retailers have been compelled to reduce their operating hours, with 30% forced to shut down store locations entirely. While the financial impact on retailers is undeniable, their primary concern lies in the escalation of violence, or the threat thereof associated with these criminal activities. No piece of merchandise is worth the safety and security of our constituents.

Ohio has an opportunity to lead the nation in combatting organized crime within our communities through the passage of the FORCE Act. While there is no single solution, this legislation will enhance our legal framework to safeguard both retailers and consumers against large, intricate Organized Retail Crime (ORC) networks. A key feature of the FORCE Act is the establishment of a statewide task force in collaboration with the Ohio Attorney General and the Organized Crime Investigations Commission. This task force will offer vital resources and assistance to local law enforcement agencies and prosecutors.

In addition, the legislation provides resources for a statewide real-time information sharing platform so loss prevention executives and law enforcement can communicate and respond to Organized Retail Crime (ORC) incidents as they occur and act accordingly. The FORCE Act also makes the necessary updates to our laws so we can aggregate offenses and show a clear pattern of behavior that differentiates Organized Retail Crime (ORC) from petty shoplifting.

The funding for the FORCE Act is simple and straightforward. The legislation modifies the existing law pertaining to the requirement for retail sales businesses to possess a vendor's license, subject to sales tax. Applicants must apply for this license with the county auditor in each county where they intend to operate,

accompanied by a \$25 fee per fixed place of business. The bill increases this fee to \$50 and specifies that \$25 of each fee must be forwarded by the county auditor to the State Treasurer for allocation into the state treasury, specifically earmarked for the Organized Crime Commission Fund. As well as an appropriation made at the request of the Attorney General's office of \$1,500,000 to enhance the operation of the organized retail theft task force.

I would like to remind this body that Ohio has led the way in addressing organized retail crime before. In 2008, Ohio passed one of the first laws allowing for Organized Retail Crime (ORC) to be prosecuted under the Racketeer Influenced and Corrupt Organizations (RICO) Act. Most recently, many of you supported and helped pass the INFORM Act in 2022 which dealt with stolen merchandise being sold to unsuspecting consumers to online marketplaces. That legislation led to what is now federal law. Ohio once again, has the opportunity to lead the nation in safeguarding business and consumers while making our communities safer.

Vice Chair Reynolds, Ranking Member Hicks-Hudson, and members of the Senate Judiciary Committee I hope you will join me in this worthy effort, and I would be happy to take any questions the committee may have.