



June 10, 2025

The Honorable Haraz N. Ghanbari
Ohio House of Representatives
Vern Riffe Center
77 S. High Street, 13th Floor
Columbus, Ohio 43215

Re: Opposition to HB 288 – Protecting Freedom of Contract and Ohio's Economic Competitiveness

Dear Chairman Ghanbari,

As members of Ohio's business community, we write to express our strong opposition to House Bill 288, also known as the Prompt Pay Act.

While we fully support the principle that all parties engaged in construction and maintenance projects should be paid in accordance with the agreed-upon terms in their contracts, HB 288 introduces sweeping mandates that will harm Ohio's economy, undermine the freedom of contract, and disrupt the state's business environment.

HB 288 would require private construction project owners to pay contractors within 30 days of receiving a payment application or face extreme penalties, including an 18% interest rate and liability for contractors' legal fees. These provisions raise several serious concerns:

- 1. Erosion of Contractual Freedom:** Businesses must retain the ability to negotiate payment terms tailored to the specific needs of all parties. HB 288 imposes a one-size-fits-all mandate, undermining this foundational principle.
- 2. Deterrent to Investment in Ohio:** Punitive measures like an 18% interest rate and guaranteed legal fees for contractors could deter future investment in Ohio. Businesses may hesitate to undertake development projects in the state, fearing disproportionate penalties, potentially leading to job losses and decreased economic activity.
- 3. Encouragement of Frivolous Lawsuits with No Financial Risk to Plaintiffs:** The bill's attorneys' fees provision could foster unnecessary litigation, creating a cottage industry of lawsuits from bad actors over minor disputes. This would divert resources away from productive business operations.

Ohio's business climate depends on careful, deliberate policymaking to ensure a fair, competitive, and growth-oriented regulatory framework. HB 288 has far-reaching implications that do not support these objectives. For these reasons, we respectfully urge you to reject HB 288.

Thank you for your attention to this important matter.

Sincerely,

The Ohio Manufacturers' Association
The Ohio Council of Retail Merchants
Ohio Telecom Association
Ohio's Broadband and Cable Association

CC: Members of the House Small Business Committee