

Chair Claggett, Vice Chair Workman, Ranking Member Mohamed, and members of the Technology and Innovation Committee:

Thank you for the opportunity to present sponsor testimony for HB 665. I am incredibly proud to sponsor this bill alongside my colleague, Representative Tex Fischer.

Artificial Intelligence (AI) models have become a growing issue in Ohio antitrust laws. Price fixing is illegal under state and federal law, and for good reason. The ability for businesses to collude to keep prices as high as possible is detrimental to the economy. It prevents competition, kneecaps innovation, and benefits the largest corporations at the expense of the consumer.

Pricing algorithms that are given non-public competitor data can skirt around current laws to engage in price fixing in a roundabout way.

This is not a theoretical problem. The rental industry has seen considerable price fixing and the use of algorithms. Companies like Realpage use non-public data, as well as an enormous database of rental property information and sophisticated algorithms to “maximize revenue” for its clients. This allows landlords within the same geographical area to effectively fix prices and raise rates. A recent White House report found that such algorithms are estimated to have cost renters more than \$3.8 billion in 2023 alone.

This same model could easily be applied across industries. An enterprising software company could create a similar model which raises prices or lowers wages for its clients.

As Artificial Intelligence becomes more powerful and accessible, this issue will only continue to grow. It needs to be resolved by clarifying the prohibition of price-fixing algorithms in our state to stop this practice from continuing.

This bill would also require companies with more than \$5 million in gross receipts to disclose if they use a pricing algorithm with public competitor data. This additional transparency would allow for consumers, employees, and contractors to be as informed as possible.

Ohio's economy needs to work for everyone-not just those with the most powerful technology. HB 665 is a common sense, needed update to our antitrust laws.

We respectfully ask that you support HB 665 to protect Ohio consumers, workers, and businesses.

Thank you for your time and consideration and we are open to any questions that the committee might have.