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Chairman Stein, Vice Chair Johnson, Ranking Member Lapore-Hagan and colleagues of the House Commerce and Labor Committee:

Thank you for the opportunity to provide sponsor testimony for House Bill No. 272, the Online Marketplace Transparency and Consumer Protection Act. This piece of legislation protects consumers by preventing counterfeit and stolen goods from being sold online. The COVID-19 pandemic forced many Ohio consumers to turn to online marketplaces to find Clorox wipes, N95 masks and other essential items to keep themselves safe while sheltering in place. Our constituents should have the right to know who they are doing business with. Are these goods coming from a local business or from another state or country?

This is a fairly simple bill. It requires these marketplace facilitators of a third-party seller to collect and verify six basic pieces of information that every legitimate business should have in order to conduct business. The six pieces of information are - the business name, business address, business email, business phone number, tax ID, and bank account information. To be clear, sensitive information such as tax ID and bank account information will be kept confidential between the sellers and the online marketplace. The only information required to be made publicly available are business name, location and basic contact information such as a valid email address. We must note for members of this committee that just two months ago Congress lowered the 1099 threshold for third-party marketplace sellers to \$600 of revenue (or income). That means starting in 2022, marketplaces will be mandated by federal law to collect this information from third-party sellers in order to stay compliant.

In addition, this bill requires disclosure of limited contact information to consumers that is a clickable link if you're going through the facilitator's website. There are privacy provisions in the bill that protects the individual small seller and does not require the marketplaces to list someone's home address. If the small business owner has a warehouse on their private residence that would also be protected. Protecting the privacy of our small business owners is important to us and this bill will do just that by requiring that the online facilitator only list the state and country that the business or the individual is located in.

This bill also creates a level playing for Ohio small business owners. These businesses are competing in a new world that involves online marketplaces. And as third-party sellers they're competing against companies that are selling counterfeit and stolen goods from all over the world. This globalized virtual market puts them at a disadvantage when they're trying to run a legitimate business, selling legitimate products to people here at home.

Lastly this bill provides an additional tool for enforcement. Requiring all this information to be collected and verified will help the Attorney General's office in their investigations stemming from the pandemic and beyond. At the outset, bad actors abused the system by price gouging through hoarding and reselling of hand sanitizers and other cleaning products to name a few. This bill also protects the small business owner and their patents if it's being infringed upon. HB 272 gives the Attorney General the ability to locate perpetrators or illegal networks of counterfeit goods by shutting them down and making legitimate and verified sellers whole.

In summary, this legislation is beneficial for consumers and legitimate businesses alike. By simply requiring online marketplaces to verify their third-party sellers, we can stem the flow of illicit products on these platforms. We believe it is incumbent upon us as leaders in the Ohio Legislature to do that which is within our power to protect consumers and that is exactly what this bill does. We hope you will join us in this important effort. Thank Chairman Stein and members of the committee. We would be happy to answer any questions you may have.