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Marc Dann
Direct Dial:216-452-1026
Email: mdann@dannlaw.com

**Marc Dann
Dann Law
On House Bill 272
House Commerce and Labor Committee
Opponent Testimony**

Chairman Stein , Vice Chairman Johnson , Ranking Member Lepore-Hagan, and Members of the House Commerce and Labor Committee:

My name is Marc Dann. Both in and out of government I've devoted my career to representing consumers. While I applaud the sponsor's desire to require companies that do business in Ohio to disclose current and relevant contact information to their customers, the bill raises several questions that I believe deserve additional consideration before it is rushed to the floor of the House.

First, rather than revising existing statutes to require that out of state companies doing business over the internet in Ohio register with the Secretary of State and appoint a agent for service of process, the bill empowers private companies like Amazon and Facebook to perform what should be a governmental function. I believe you should determine if Secretary of State LaRose supports this partial privatization of the functions of his office. In my opinion, adjusting the foreign business registration requirements to fit the internet age would have a broader and more reliable impact on the ability of consumers and law enforcement agents to track down and hold bad actors accountable. It would also ensure that out of state companies competing with Ohio based businesses are remitting taxes as they should.

Second, because companies like Amazon both host third party sellers and compete with them requiring those sellers to provide confidential information gives the mega-sellers an unfair advantage over them. While low barriers to market entry are one of the great advantages of the internet the unique, confusing, and unfair scheme established by the bill may deter companies from offering lower cost products to Ohio consumers. I believe it is counter-productive to allow mega-sellers like Amazon, Google or Facebook to cut off smaller merchants from their customers without due process of law.

Finally, adding an additional burden of enforcement to the already overwhelmed Consumer Protection Section of the Ohio Attorney General's office while prohibiting consumers impacted

by the bad conduct of these newly regulated sellers from bringing their own claims under the Ohio Consumer Sales Practices Act will place consumers at increased risk for abuse and encourage fraud by merchants who know there is little chance they will be held accountable for their bad or illegal acts. Current law provides much stronger protections for consumers who have been wronged by an internet seller. Exempting out of state sellers who compete with in-state companies from Ohio's consumer protection laws is bad for both consumers and the smaller enterprises who depend on Amazon and other internet-based commercial platforms to bring their products to market. In order to protect then I strongly urge that at a minimum that the prohibition against private right of action be removed from the legislation.

Current law, if properly enforced, is a more than adequate solution for the perceived problem the bill is attempting to address. Requiring high volume internet sellers to comply with existing foreign business registration laws will ensure that consumers and law enforcement agencies have the information they need to pursue, prosecute, and punish bad actors. Delegating the Ohio Secretary of State's constitutional power to companies that clearly have conflicts of interest is an incredibly bad idea that will harm consumers, small and mid-size businesses, and our state's economy.