



SENATE BILL 134 - BUSINESS FAIRNESS ACT

PROPONENT TESTIMONY

OHIO SENATE SMALL BUSINESS & ECONOMIC OPPORTUNITY COMMITTEE

MAY 5, 2021

Chairman Rulli, Vice-Chair Lang, Ranking Member Sykes, and members of the Senate Small Business and Economic Opportunity Committee my name is Chris Ferruso and I serve as Legislative Director for NFIB in Ohio. Thank you for the opportunity to provide proponent testimony for Senate Bill 134. On behalf of the nearly 22,000 governing members in Ohio, we applaud Senator Lang for sponsoring this important legislation. The Business Fairness Act is a top legislative priority for NFIB.

By way of background, NFIB members come from all industry sectors in all 88 counties across Ohio. Our typical member employs 15 or fewer and has less than \$2 million in gross receipts. The diversity of our membership runs the spectrum of business operations from sole-proprietors operating out of their homes to large manufacturers that employ hundreds.

Senate Bill 134 is simple in its intent – to allow a business that has been required to close or limit operations as a result of a government order due to no fault of their own, and for a situation not unique to a specific business location, be able to reopen or remain open if that business is able to comply with the safety precautions required of businesses permitted to stay operational.

When the initial Ohio Department of Health order to shutter businesses was issued, our members were in the same state of confusion and uncertainty surrounding the COVID-19 pandemic as most. Our members that were deemed “non-essential” complied with orders while awaiting better knowledge of just what our state, our country, and our world were facing. They watched other businesses remain operational and able to recognize revenue, pay their employees, and generally conduct business as usual as recommendations from health experts on how to avoid transmission and contraction of the virus continued to be issued, amended, and reversed. However, frustration soon began to mount as some of our

members had to remain closed while other “essential” businesses, selling some of the same or very similar products, could keep their doors open.

The state and federal government acted quickly to assist businesses and individuals who were shuttered or left without employment. We applaud the legislature and administration for the steps taken to try and lessen the economic impact of business closures.

The economic consequences of the pandemic will continue to be felt, likely, unfortunately for years. I want to share with this committee the results of a survey we conducted late last year. The data below is based upon a survey we conducted in mid-September. The respondents are all Ohio NFIB members. Eighty-four percent have 30 or fewer employees.

- 75 percent have taken a Paycheck Protection Loan (PPP) from the federal government
- 88 percent have used up the entirety of their PPP loan.
- 70 percent indicated they would utilize a grant program offered by the state to be reimbursed for expenses not covered by a PPP or other loan.
- Over 50 percent indicated a need for such a grant of between \$10,000 - \$50,000.
- Almost one in three members indicated they had to close their businesses because of government orders.
- Of those, 54 percent were shuttered between one and three months.
- Over half of respondents indicate year-over-year revenue declines of 20 percent or greater and 15 percent are experiencing revenue decline over 50 percent!
- A recent NFIB national survey indicates 52 percent of our members who took a PPP loan anticipate needing additional financial assistance over the next 12 months.

Hindsight is 20/20 and we know a lot more now about the virus than we did in March of 2020. We know taking certain precautions such as social distancing, washing and sanitizing of hands and common touch surfaces, wearing personal protective equipment (PPE), and providing barriers all help to reduce the spread. Small businesses have responded and taken these steps; providing PPE to employees and customers and retrofitting their businesses to adjust to health recommendations. In fact, we have members that altered their normal operations to produce PPE and other materials to help combat the spread. Again, small businesses stepped up to do their part, as they typically do, to assist in protecting their communities.

We have heard from both state and national experts that businesses are not the main sources of spread. As such, and because small business is a crucial component of the economy, we must ensure they may continue to provide jobs, their important products and services, as well as tax revenue. However, they cannot do this if they are shut down by the government. Senate Bill 134 will make certain our small businesses can remain operational, doing so in a safe manner.

I do want to take a moment to share with this committee comments we received from a couple of our members in response to this bill:

"I came within one week of losing my business and had I not petitioned the local health department and proved I could meet the requirements for safety of the public and myself, I would have gone under. Instead, they agreed to allow me to reopen with certain provisions in place. I cannot afford to go through this again! The loss of income would have put me in a situation where I would have had to become dependent on the government for assistance to meet my needs.... that's not what the state needs either! For me it would have been a devastating loss of something I had worked 9 years to build at the time."

This statement is a demonstration of our members' willingness to do what is required to remain open. They need to know the rules and they will comply.

"I own a dental office and were deemed non-essential. The oral health of a person affects their overall health. Infection left untreated for weeks/months can have a devastating effect on a person's health. I live in a small community and the local businesses help keep this community going. When you close small businesses in a small town, you cripple the town."

This member reiterates what we know and is commonly referenced by policymakers: small business is the backbone of the economy.

It is important to note that this legislation in no way prohibits government officials from issuing any necessary safety procedures or protocols. However, any business that can demonstrate they can meet the necessary safety requirements must be able to remain in operation.

As I mentioned earlier, Senate Bill 134 is simple in its purpose. It allows any business that can meet all the required safety precautions to remain open. Every one of our members believes their business is essential. I suspect the same is true for all of the small businesses in your legislative districts. The government should not be picking winners and losers. The playing field must be level. Although there may be disagreement about what constitutes appropriate safety precautions, each business must have the opportunity to comply and thus be allowed to remain open. For our members, for all businesses, this is what they deserve! House Bill 621, similar legislation, passed the Ohio House last year on a bipartisan vote of 77-10. We urge you to support and quickly pass the Business Fairness Act, Senate Bill 134.

Thank you Mr. Chairman and members of the committee, I would happy to try and address any questions.