



## **HOUSE BILL 215 – BUSINESS FAIRNESS ACT**

### **PROPONENT TESTIMONY**

#### **OHIO SMALL BUSINESS & ECONOMIC OPPORTUNITY COMMITTEE**

**OCTOBER 20, 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 House Bill 215. On behalf of the nearly 22,000 governing members in Ohio, we applaud Representatives Cross and Wilkin for sponsoring this important legislation as well as Senator Lang for his companion bill, Senate Bill 134, passed unanimously by both this committee and the entire Ohio Senate. 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.

House Bill 215 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 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 I last appeared before this committee on Senator Lang’s companion bill, I shared with all of you the economic impact of the various COVID-19 orders and the remaining need by some businesses for additional financial support. As I stand here today, the financial needs of many of our member businesses have been met. Data from a survey conducted in the middle of the second quarter of this year of our Ohio members indicates just under 17 percent affirmatively stating the need for additional financial assistance. This is a dramatic decrease from our last survey where 70 percent of our members indicated they would avail themselves of a grant program. I do not want to downplay that 17 percent, however. It is clear some businesses continue to face ongoing negative financial ramifications due to the pandemic.

I also note, our members are remaining cautious. Approximately 48 percent of our members indicate sales revenue is still below where it was pre-March 2020. It is worth observing though, that the majority of those sales are off less than 25 percent. Additionally, nearly 30 percent indicate their sales revenue is consistent with pre-pandemic levels. These figures are better than they were earlier this year where over half of our members experienced revenue loss greater than 25 percent. However, sales continue to be an issue for many small businesses.

Furthermore, nearly one in three members believe their local community will not recover until sometime in 2022 and over 12 percent feel it will be in 2023 or later. This syncs with our monthly optimism index which has declined over the past few months reaching the lowest number since March of this year. The uncertainty surrounding supply chains, employment, and various government actions related to COVID and how our members can operate their businesses are certainly contributing factors.

Finally, I want to highlight a pervasive problem facing nearly all businesses: the inability to fill open positions. I suspect you are hearing a similar message when engaging with your local businesses. Our readings are at an all-time high in the nearly 50 years our Research Foundation has conducted surveys. This concern has surpassed the “cost of health insurance” as the biggest problem facing our members. The labor market is incredibly tight. Our members are responding accordingly with nearly 40 percent changing hours to accommodate staff shortages. Additionally, over 52 percent have increased wages over the last six months, and over 20 percent stating they have done so already and will again in the next six months!

I am sharing this information with the committee, so you have a better understanding of just what our small business members continue to deal with in the face of this ongoing pandemic and why it is so important to ensure no business is shuttered again because they are deemed non-essential. You can provide this assurance by affirmatively passing House Bill 215.

I do want to remind this committee of what I spoke about with you earlier this year regarding the Business Fairness Act. One of the biggest frustrations amongst our membership was the idea that government chose winners and losers by deeming businesses essential vs. non-essential. Even if a business was lucky enough to be given the “essential” designation, there was sympathy and frustration for their small business brethren who were not. Recall the situations where “non-essential” businesses were shut down while other “essential” businesses, selling some of the same or similar products, kept their doors open.

We now 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 of a virus. Small businesses have responded and taken these steps; providing PPE to employees and customers and retrofitting their businesses to adjust to health recommendations.

As I mentioned earlier, House Bill 215 is simple in its purpose. It allows any business that can meet the required safety precautions to remain open. The government should not be picking winners and losers. The playing field must be level. Every one of our members, rightfully so, believes their business is essential. 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. 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. We all hope we are never faced with the prospect of another pandemic. However, if we are, House Bill 215 will make certain our small businesses that choose to, can remain operational.

House Bill 215 passed the Ohio House earlier this year on a bipartisan vote of 77-17. We urge you to support and quickly pass the Business Fairness Act, House Bill 215.

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