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January 10, 2022

Rep. Steve Kirby, Chair
Washington State House of Representatives
Consumer Protection & Business Committee
Post Office Box 40600
Olympia, WA 98504

Rep. Brandon Vick, Ranking Member
Washington State House of Representatives
Consumer Protection & Business Committee
Post Office Box 40600
Olympia, WA 98504

RE: **HB 1614, Concerning online marketplace consumer product theft and safety protection.**

Dear Chair Kirby and Rep. Vick:

On behalf of our more than 7,000 members in Washington state, NFIB, the state's and nation's leading small business advocacy organization, is writing to express some concerns with House Bill 1614, Concerning online marketplace consumer product theft and safety protection.

We hope today's public hearing will help us better understand this legislation, and allow NFIB to take a formal position on it.

Based on our review of the bill, and discussions with some of the organizations testifying today, it appears that the bill:

- Does not grant online marketplaces any new authority. At best, it would standardize the information collected and reported by these firms, or their payment processing contractors. We are left to wonder, then, **is this legislation necessary?**
- Requires disclosure of a small business' and/or its owner's bank account information once the "high-volume" seller threshold is met. This would be in addition to business tax or other government registration documents (see Sec. 2(1)(b) and (c)). **Providing banking information seems to be an unnecessary requirement for legitimate small businesses able to provide government-issued registration and/or tax identification information.**
- May be similar, but not identical, to legislation being considered in other states. Federal action is also being pursued. NFIB is concerned about the potential for a **patchwork approach** that would **impose differing requirements on small businesses** utilizing online marketplaces to sell to customers in multiple states.
- Adds to the administrative burden of legitimate small businesses, could expose sensitive information to potential data breaches, yet would be **unlikely to impact criminals** savvy



enough to stay just below the thresholds when selling stolen merchandise through online marketplaces in competition with legitimate retail businesses.

We hope today's hearing will allay our concerns, and that NFIB will be included in any discussions about modifying the bill to better address retail theft and the use of online marketplaces to sell stolen goods.

Thank you for the opportunity to submit these comments. We look forward to engaging with you and other stakeholders as this bill moves forward.

Respectfully submitted,

A handwritten signature in black ink that reads "Patrick L. Connor". The signature is written in a cursive style with a large, stylized initial "P".

Patrick Connor
NFIB Washington State Director

cc: House Consumer Protection & Business Committee members