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March 18, 2021

The Honorable Sean Tarwater
Chairman, Commerce, Labor and Economic Development Comm
Kansas House of Representatives
300 SW 10th St.
Room 151-S
Topeka, Kansas 66612

VIA ELECTRONIC TRANSMISSION

In re: H.B. 2433

Dear Chairman Tarwater and members of the House Commerce, Labor and Economic Development Committee,

On behalf of The Home Depot's 3,359 associates in the state of Kansas, I write in strong support of H.B. 2433. This legislation (H.B. 2433), appropriately requires online marketplaces to know who is selling on their platforms by collecting and verifying basic information of high-volume sellers – name, contact information, bank account and tax ID number. The bill also requires marketplaces to disclose the true name and contact information of a third-party seller to the consumer in a conspicuous manner.

When a retailer sells a product in a brick-and-mortar store, they're guaranteeing that product is what they say it is and there are consequences if it is not. If that guarantee is not met, the consumer knows how to seek recourse. H.B. 2433 is an extension of that same guarantee and protection to consumers who shop on online marketplaces. The goal of this legislation is to empower consumers with the information they need to make safe and legitimate purchases on online marketplace while deterring bad actors, who seek anonymity, from selling on platforms through increased transparency requirements.

Organized Retail Crime (ORC) is the theft of goods with the intent to resell the merchandise. ORC is not petty shoplifting but is a part of larger criminal networks who recruit individuals to steal. These predatory syndicates often target vulnerable populations such as the homeless and individuals afflicted by drug addiction. Quite often, stolen goods are aggregated and sold on unregulated online platforms. This avenue is the new pawn shop; and shorts the state of its due tax revenue. Nationally, this problem results in losses to retailers in excess of \$30 Billion annually costing states hundreds of millions of dollars in lost sales tax revenue.

The urgency to address this problem has only been accelerated by the COVID-19 pandemic. As many West Virginians stayed home to promote social distancing, they increasingly turned to online marketplaces to purchase cleaning supplies, personal protective equipment, and other household goods. Unfortunately, the lack of regulation on these platforms allowed bad actors to sell illegitimate products such as deficient hand sanitizer and counterfeit N95 masks putting lives in jeopardy. 3M, one of The Home Depot's suppliers of N95 masks and other PPE, has removed more than 15,000 fraudulent e-commerce listings to date.

We respectfully ask the committee to give H.B. 2433 a favorable report and are happy to answer any questions you may have.

Thank you for your consideration,

A handwritten signature in black ink, appearing to be the name of the sender.

Jared E. Holt
State and Local Government Relations, Manager