



May 14, 2021

Senator Maria Cantwell
 Chair
 Senate Committee on Commerce, Science and
 Transportation

Senator Roger Wicker
 Ranking Member
 Senate Committee on Commerce, Science and
 Transportation

**15 State Legislatures Have Rejected the INFORM Consumers Act;
 Only Walmart's Home State Has Approved**

Dear Chair Cantwell and Ranking Member Wicker:

The **INFORM Consumers Act** (S. 936), which has been referred to your committee, would erect business hurdles for independent entrepreneurs, including eBay sellers, Etsy artisans, and other small marketplace sellers.

The bill represents an effort by Walmart and other big box retailers to hurt their biggest competitor Amazon, using the pretext that a small number of bad people sell counterfeit and stolen goods online. But in aiming at Amazon, the bill would also end up hurting a whole community of creators and entrepreneurs who make a living by selling goods online.

Over the past few months, the retailer backers of this bill have also worked to pass similar legislation in 18 states. But after careful consideration, 15 state legislature has decided to reject this legislation because of its negative impact on small sellers - and only state has approved it:

State Legislatures Considering State Versions of INFORM Consumers Act (2021)			
	Approved	Rejected	Still Under Consideration
Democratic Controlled	None	California (SB 301) Nevada (SB 314) Washington (HB 1543)	Massachusetts (H 138)
Republican Controlled	Arkansas (SB 470)	Arizona (HB 2383)* Florida (SB 1072 , HB 1223) Georgia (SB 151 , HB 327)* Iowa (SB 1233) Kansas (HB 2433) Missouri (HB 290) Nebraska (LB 603) North Carolina (HB 869)* Oklahoma (HB 1627) Tennessee (HB 709 , SB 528) Texas (HB 3852)* West Virginia (HB 2908)	Ohio (HB 272)

* Converted to study/task force or INFORM language removed

Both Democratic- and Republican-controlled state legislatures have recognized, upon close examination of the INFORM Consumer state bills, that **this legislation would hurt small sellers, decrease opportunity, increase red tape, and hinder consumers in search of a deal.**

In several state legislative hearings over the past few months, both Republican and Democratic legislators have expressed hesitation about the impacts of these bills on small online sellers. These include:

West Virginia [Senator Mike Romano](#) (D)

"Is there any evidence that this [online retail crime] is going on in West Virginia? There's a lot of shoplifting going on...but I don't think any drug addicts are running online businesses. I've not heard anybody say there was an active black market in stolen property in my area... certainly nobody's come to me and said that. If you're buying from someone who is not reputable, that will take care of itself."

Georgia [Rep. Bert Reeves](#) (R)

"We all can agree that there are bad players, that we need to be able to have better tools to be able to stop what they're doing...but perhaps this proposal...it's a net that brings in way too many fish that we don't mean to bring in. [...]"

Georgia [Rep. Zulma Lopez](#) (D)

"Not everyone that is selling [online] is going to be doing anything illegal. I'm thinking about the small business owner that is growing their business. As soon as they meet that [sales] threshold they have 24 hours to comply. That is pretty cumbersome."

West Virginia Senator [Amy Grady](#) (R)

"I'm just thinking about the sellers on Etsy that sell handmade things or one-of-a-kind items, I wouldn't think they'd fall under the same category of trying to resale things that were stolen from a department store."

We hope you will heed the perspectives of the legislators who have assessed the consequences of passing state versions of INFORM Consumers Act. These bills -- and their federal counterpart -- won't stop sophisticated counterfeiters, who will surely adapt to the new rules. It's an overreaction to an exaggerated problem, with considerable collateral damage.

Sincerely,



Adam Kovacevich
CEO and Founder
Chamber of Progress