



February 23, 2022

House Commerce and Energy Committee
Subcommittee #4
Virginia General Assembly
Richmond, VA

Dear Chairman Head and Members of the Subcommittee:

My name is Shawn McGowen. I am the CEO of Leather Honey LLC, a Charlottesville-based family owned small business that sells leather conditioners and cleaners online.

I write to express concerns with SB 341, legislation that would create bureaucratic hurdles for honest Virginia entrepreneurs who sell online. As a resident of Virginia, I respectfully ask you to oppose this legislation. The legislation does little to prevent the online sale of counterfeit products or stolen goods, but would engender significant unintended consequences for Virginia entrepreneurs.

While the intent of SB 341 may be laudatory, this legislation would simply create additional red tape for local small businesses, while doing little to address the problems it seeks to address. As a local Charlottesville entrepreneur who has used the Internet to reach new customers worldwide over the last twelve years, I can say if these regulations had existed when we were launching our business, I might have been effectively dissuaded from selling online. It would be unfortunate to saddle the next generation of Internet entrepreneurs with ill-conceived regulations that will not solve the problem they are meant to address.

Under this legislation, small businesses that reach an arbitrary threshold would be labeled a "high-volume" seller and subjected to new disclosures regulations. Small businesses would further be required to annually reverify information submitted to online marketplaces - even if nothing has changed - or risk being suspended from selling. This could mean an honest small business owner who misses or never receives an email from an online marketplace might be unintentionally suspended, losing badly needed sales and revenue.

Further, enacting this legislation at the state level contributes to an unworkable state-by-state patchwork of varying regulations. For many small businesses that sell products online, this would create time consuming and costly compliance burdens.

Thank you in advance for your consideration of my views.

Sincerely,

A handwritten signature in black ink, appearing to be "Shawn McGowen".

Shawn McGowen