



Coalition on Homelessness
and Housing in Ohio
COHHIO

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Consumer Protection Weakens as SB 117 Becomes Law

*Governor's refusal to sign or veto bill sends message that law
should be revisited*

COLUMBUS – On his last day in office, Governor Bob Taft took the unusual path of neither signing nor vetoing SB 117, a controversial bill that weakens consumer protection by limiting damages available under the Consumer Sales Practices Act (CSPA) to victims of unfair business behavior. As a result, the bill automatically becomes law at 5:00 p.m.

COHHIO's executive director Bill Faith laments the bill's passage as a "serious blow to consumer protection," but sees the governor's lack of action as a signal to the new legislature to revisit the law. "Here's a conservative Republican governor who has advocated tort reform and limitation of damages his whole career," said Faith. "Yet he did not endorse this bill with his signature. I think he carefully studied the CSPA amendment and believes it will hurt consumer protection because the cap is so low."

COHHIO's opposition to SB 117 focused on a change to the 30-year-old CSPA, a law that helped keep in check unfair and deceptive business practices by making economic and non-economic damages available to victims. SB 117 caps non-economic damages that can result from a victim's trauma, suffering and lost opportunities to no more than \$5,000, which is too low to deter bad business behavior, Faith said.

The Ohio Homebuyers Protection Act, SB 185, which passed the legislature earlier this year to address predatory lending, took effect January 1. A centerpiece of that legislation was placing mortgage lending under the protection of the CSPA.

"Consumers are more vulnerable to abuse by businesses because the threat of an unknown damage award is gone," said Faith. "Victims will have greater problems finding legal representation. In the world of predatory lending, this amendment sends the wrong message to the crooks cheating vulnerable homeowners."

Faith said he was disappointed with the bill's speed and the absence of public testimony. "This bill was disavowed by its original sponsor," he said, "and it was criticized by both incoming and outgoing attorneys general. The changes to the CSPA were unnecessary, they were a mistake, and they should be revisited by the new legislature."

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