

## **Oppose HB 2536 Placing Price Controls on Voluntary Business to Business Contracts**

While HB 2536 may have good intentions, it sets a dangerous precedent of allowing the legislature to dictate the terms of contracts between two private business entities. In addition, it creates a Private Right of Action (PRA) for a contract violation between food delivery companies and the restaurants with which they contract.

**It is extremely unusual for state law to dictate how two private companies manage their business-to-business contracts.**

Typical business to business contracts are developed and entered into without legislative interference. HB 2536 sets a dangerous precedent because if enacted, the Legislature will be statutorily dictating terms of contracts between two entities without any overarching public benefit or need.

During the COVID pandemic, Executive Orders dictated how various businesses were authorized to operate and whether they were open or closed under executive orders issued by the Governor to protect the health of Oregonians. In this very unique situation, it was appropriate to provide relief or statutorily dictated requirements for other businesses in order to assist the business that faced undue burden for the protection of public health. That type of regulation, like the regulation of public facing businesses, should be limited in scope, limited in duration, and end when the emergency has expired.

HB 2536 includes language that sets price caps for contracts between two private businesses who voluntarily enter into a contract for services. It also imposes a statutory private right of action for a business-to-business lawsuit which is an approach we adamantly oppose. Contracts typically dictate the terms of any litigation and often include arbitration provisions to protect both parties from litigation. A separate private right of action authorized by the Legislature does not seem like an appropriate way to approach this issue.

We urge you to oppose the HB 2536. Regardless of the policy issues of the bill, it creates a dangerous precedent for state regulation of private contracting terms that should concern all private businesses and sets a dangerous precedent for the Legislature to establish this kind of a business-to-business lawsuit.

