

**Statement of
BRIAN LANDON
Owner, Landon's Car Wash & Laundry
House Judiciary Committee
Harrisburg, PA
Tuesday, May 14, 2002**

My name is Brian Landon. I am the owner and operator of Landon's Car Wash & Laundry in Canton, Pennsylvania.

Besides the services part of my business, which is apparent from my business name, my business also includes the re-manufacturing, installation and service of equipment used in the car wash industry. I have been a small business owner for almost 26 years. Currently, I have two employees. I am a proud member of the National Federation of Independent Business. With two employees and gross sales around \$300,000, I am fairly typical of the 29,000 NFIB members in Pennsylvania.

I take great pride in the services and products that I provide to the people in my community and in my industry.

Kevin earlier told you how NFIB members in Pennsylvania have voted and named lawsuit abuse their number one priority. I am one of the members that voted to set that priority.

A Gallup survey in 2000 found that 24 percent of small business owners had either been sued or were threatened with court action within the last 5 years. I am one of the lucky small business owners, for I have not been sued or threatened with court action.

But that does not mean that I am not a victim of lawsuit abuse. For lawsuit abuse imposes many costs or "taxes" on me and my small business. Some of these "taxes" are obvious, such as the cost of liability insurance premiums -- an average of two-and-a-half cents of every dollar spent at my car wash and laundry goes towards liability insurance.

Most of the "taxes" associated with lawsuit abuse are less obvious, but no less real. The hidden "lawsuit tax" is part of everything I purchase for my small business. Whether it is the chemicals and equipment used to clean cars; or the cleaning supplies, washers and dryers for my laundry; or the tools -- including the notorious stepladder -- that I use for the re-manufacturing and installing of car wash equipment, I know the "lawsuit tax" has already been added in.

Then there is the non-monetary tax, which comes in the form of the constant fear of being named in some "shotgun" style lawsuit with claims far exceeding any insurance coverage I have, such as the lawsuit that Mr. Carnathan described to you. A fear which inhibits innovation and growth in my small business and other small businesses like mine.

The biggest form of "lawsuit taxes" is the effect that lawsuit abuse has on our overall economy in PA. Taking productive dollars out of our economy to the tune of \$1,200.00 for every man woman and child. Dollars that could be returned to the consumers of Pennsylvania to

stimulate our economy and returned to the economic engine called small business in Pennsylvania for innovation and growth and the creation of new jobs.

In closing I want to say again, that I take great pride in the services and products that my small business provides. I am not opposed to the claims of legitimate victims who are injured through no fault of their own. I am opposed to a system that is not based on fairness, common sense and personal responsibility.

I am not opposed to the concept of making an injured victim whole. I am opposed to a system, which places an unfair burden on small businesses like mine while inhibiting the economy of our Commonwealth.

I urge you to replace the outdated legal doctrine of joint and several liability with proportional liability as other states have done, and thereby return the dollars consumed by our "lawsuit tax" back to the consumers and job creators in Pennsylvania.

Thank you for the opportunity to submit testimony to the committee.

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