

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 2 - 0
Yeas:	Bonamici, Galizio, Nelson, Riley, Holvey
Nays:	Gilliam, Girod
Exc.:	0
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	5/7, 5/9

WHAT THE MEASURE DOES: Prohibits merchants and wholesalers from charging prices of more than 15 percent of normal prices after the Governor determines an “abnormal disruption of the market.” Authorizes Governor to make such a determination by either a Proclamation or as a part of an Emergency Declaration, or both. Automatically terminates in 30 days unless extended. Provides exemption for utilities and public bodies. . Exempts price increases that are the result of “increased internal costs or expenses related to the declaration of an abnormal disruption of the market.” Punishes violations as an unlawful trade practice. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Under what conditions could the Governor declare and abnormal disruption of the market.
- Price gouging during catastrophes and under normal circumstances.
- Merits of market based and regulatory approaches to price gouging during times of catastrophe.
- Effects of catastrophic events on consumers

EFFECT OF COMMITTEE AMENDMENT: No Amendment

BACKGROUND: SB 118-A is designed to prevent price gouging. It provides a mechanism for the Governor to determine an “abnormal disruption of the market” either by part of a Proclamation or by an Emergency Declaration if any “human created or natural event or circumstance” causes “essential consumer goods or services” to be unavailable. “Essential goods or services” are defined as items such as food, shelter and fuel that are necessary for the health, safety and welfare of customers. Once declared, wholesalers and merchants are prohibited from charging an “unconscionably excessive price” for essential goods and services. An excessive price is defined as 15 percent or more of the price immediately prior to the disruption. Violations are punishable as unlawful trade practices by the Attorney General but not subject to private right of action.