It is enacted by the General Assembly as follows:

SECTION 1. Chapter 6-13 of the General Laws entitled “Unfair Sales Practices” is hereby amended by adding thereto the following section:

6-13-21. Price gouging - essential commodities. -- (a) Upon a declaration of a state of emergency by the governor, or federal disaster declaration by the president, it shall be an unfair sales practice for individuals or retailers, to participate in price gouging, by making sales, or offering to sell, within the area for which the market emergency is declared, essential commodities to consumers for an amount that represents an unconscionably high price.

(b) As used in this section:

(1) “Unconscionably high price” means the amount charged represents a gross disparity between the average prices at which the same or similar commodity was readily available and sold or offered for sale within the local trade area in the usual course of business during the thirty (30) days immediately before the declaration of the market emergency, and the additional charges are not substantially attributable to increased cost to retailers, imposed by their suppliers, including replacement costs imposed by the vendors’ source. Additionally, the average price calculation during said thirty (30) day period shall not include discounted prices set and offered as a result of bona fide manufacturer’s or supplier’s limited discounts or rebates.

(i) Under a federal disaster declaration by the president or upon a declaration of a state of emergency by the governor, it is unlawful and a violation of chapter 6-13 of title 6, and
subdivision 30-15-9(e)(12) of title 30, to sell, or offer to sell, at an unconscionably high price, any essential commodity.

(2) “Price gouging” means charging a consumer an unconscionably high price for essential commodities during a declared market emergency.

(3) “Essential commodities” means any goods, services, materials, merchandise, supplies, equipment, resources, or other article of commerce, and includes, without limitation, home heating fuels, motor fuels, food, water, ice, chemicals, petroleum products and lumber necessary for consumption or use as a direct result of the market emergency.

(4) “Market emergency” means any declaration of a state of emergency by the governor or federal disaster declaration by the president. The market emergency shall exist until the declaration expires or is terminated.

(5) “Individual” means a person, corporation, partnership, limited liability company, association, joint venture, agency, or any other legal or commercial entity.

(6) “Consumer” means an individual who enters into a transaction primarily for personal, family, or household purposes.

(7) “Retailer” means and includes every individual licensed to engage in the business of making sales at retail within this state.

(c) This section shall not prohibit the fluctuation in price of essential commodities which occur during the normal course of business.

(d) Any violation of this section shall constitute an unfair sales practice under the terms of chapter 13.1 of title 6.

(e) In addition to the penalties provided in chapter 13.1 of title 6, and subdivision 30-15-9(e)(12), the court may impose orders and civil penalties, including, but not limited to:

(1) A fine of not more than one thousand dollars ($1,000) per violation with an aggregate total not to exceed twenty-five thousand dollars ($25,000) for any twenty-four (24) hour period;

(2) An order to pay costs of litigation relating to the offense;

(3) An order for disgorgement of profits earned; and

(4) Any other relief determined by the court to be appropriate.

(f) All monetary penalties so collected shall accrue to the enforcing authority to further consumer enforcement efforts.
SECTION 2. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N   A C T
RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS -
UNFAIR SALES PRACTICES

***

This act would prohibit individuals and retailers of essential commodities from engaging
in price gouging during a market emergency or upon a declaration of a state of emergency by the
governor or federal disaster declaration.

This act would take effect upon passage.

=======
LC01889/SUB A
=======