
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 450 Session of
2005

INTRODUCED BY M. WHITE, CORMAN, RHOADES, TARTAGLIONE, ORIE,
ERICKSON, STACK, KITCHEN, KASUNIC, TOMLINSON, WOZNIAK, COSTA,
EARLL, PUNT, BOSCOLA, RAFFERTY, LAVALLE, MUSTO, ROBBINS,
GORDNER, LOGAN AND REGOLA, MARCH 23, 2005

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
MARCH 23, 2005

AN ACT

1 Prohibiting price gouging; and imposing penalties.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Price Gouging
6 Act.

7 Section 2. Purpose.

8 The General Assembly finds and declares as follows:

9 (1) In an economic market, there are periods of
10 disruption of the market which cause an uneven flow of supply
11 of consumer goods. During these periods, consumer demand
12 outweighs supply, sometimes heavily.

13 (2) These periods of disruption result from many
14 factors, including extreme weather conditions, depletion of
15 stockpiles, labor strikes, civil disorder, natural or manmade
16 emergencies or disasters and military action.

1 (3) During these periods, parties selling consumer goods
2 and services to the consumer sometimes take unfair advantage
3 of consumers in this Commonwealth by charging unnecessary
4 grossly excessive prices, or price gouging.

5 (4) To prevent this, the General Assembly should
6 prohibit price gouging and impose penalties on violators.

7 Section 3. Definitions.

8 The following words and phrases when used in this act shall
9 have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Consumer goods or services." Those items used, bought or
12 rendered primarily for personal, family or household purposes.

13 "Excessive." A price is excessive if the following are true:

14 (1) The amount charged represents a gross disparity
15 between the price of the consumer goods or services and
16 either of the following:

17 (i) The price at which the goods or services were
18 sold or offered for sale by the seller in the usual
19 course of business seven days immediately prior to the
20 state of disaster emergency.

21 (ii) The price at which the same or similar consumer
22 goods or services are readily obtainable by other buyers
23 in the trade area.

24 (2) The disparity is not substantially attributable to
25 additional costs to the seller in connection with the sale of
26 the consumer goods or services, including replacement costs,
27 taxes and transportation costs incurred by the seller.

28 "Seller." A party that sells goods or services to consumers.

29 Section 4. Price gouging prohibited.

30 During a state of disaster emergency declared by the Governor

1 pursuant to the provisions of 35 Pa.C.S. § 7301(c) (relating to
2 general authority of Governor), a seller of consumer goods or
3 services may not sell or offer to sell the goods to consumers or
4 provide or offer to provide the services to consumers at a price
5 which is excessive.

6 Section 5. Investigation.

7 (a) Authority.--The Bureau of Consumer Protection in the
8 Office of Attorney General shall investigate any complaints
9 received concerning violations of this act. If, after
10 investigating any complaint, the Attorney General finds that
11 there has been a violation of this act, the Attorney General may
12 bring an action to impose a civil penalty and to seek other
13 relief, including injunctive relief, under the act of December
14 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices
15 and Consumer Protection Law.

16 (b) Procedure.--Prior to the institution of a civil action,
17 the Attorney General is authorized to require the attendance and
18 testimony of witnesses and the production of documents. For this
19 purpose the Attorney General may issue subpoenas, examine
20 witnesses and receive evidence. If a person objects to or
21 otherwise fails to comply with a subpoena or request for
22 testimony, the Attorney General may file in Commonwealth Court
23 an action to enforce the subpoenas or request. Notice of hearing
24 of the action and a copy of all pleadings shall be served upon
25 the person who may appear in opposition.

26 (c) Confidentiality.--Any testimony taken or material
27 produced shall be kept confidential by the Attorney General
28 except to the extent he may use information in a judicial
29 proceeding or if the disclosure is authorized by the court for
30 good cause shown or confidentiality is waived by the person

1 being investigated and by the person who has testified, answered
2 interrogatories or produced materials.

3 (d) Restitution.--An aggrieved consumer is entitled to
4 restitution from a seller whose conduct violates the provisions
5 of this act.

6 Section 6. Effective date.

7 This act shall take effect in 60 days.