



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1172

PRINTERS NO. 2094

PRIME SPONSOR: Vulakovich

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	\$0

SUMMARY: Senate Bill 1172, Printer's Number 2094, amends the Price Gouging Act to clarify certain restrictions during a declared state of disaster emergency.

ANALYSIS: This bill amends the Price Gouging Act (Act 133 of 2006) to address definitions and prohibitions during a declared state of disaster emergency. It would take effect in 60 days upon enactment.

The bill allows the Governor, when expressly stating in a declaration of a state of disaster emergency, to impose a price restriction on the sale of consumer goods or services necessary for use or consumption in the affected geographic area of the disaster for a period of fifteen days. The price restriction may be renewed for three additional fifteen-day periods.

It states that whether a price is an unconscionably excessive price is a question of law and requires the court to consider all relevant factors when determining such, including whether there is a gross disparity in prices before and after the disaster declaration, and the seller's price substantially exceeds those prevailing on the date and in the locality in question.

A price is not considered to be unconscionably excessive if the price:

- is 10% or less above the price or the seller's immediately before the price restriction;
- is 10% or less above the sum of the seller's cost and normal markup for the good or service;
- is consistent with normal price fluctuations; or
- is a contract price established before the price restriction was imposed.

A willful violation of the act will result in a fine of not more than \$25,000 per day against a seller. Civil action under the act must be the only penalty applied and that a private right of action is not to be implied or created.

FISCAL IMPACT: Enactment of this legislation will have no fiscal impact on Commonwealth funds.

PREPARED BY: Jeffrey Clukey
House Appropriations Committee (R)

DATE: October 10, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.