

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 844

02/08/2021 Authored by Stephenson, Kotyza-Witthuhn, Howard, Bahner, Hollins and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
03/04/2021 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

- 1.1 A bill for an act
- 1.2 relating to consumer protection; prohibiting price gouging; prescribing penalties;
- 1.3 proposing coding for new law in Minnesota Statutes, chapter 325E.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. [325E.80] ABNORMAL MARKET DISRUPTIONS; UNCONSCIONABLY
- 1.6 EXCESSIVE PRICES.
- 1.7 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision
- 1.8 have the meanings given.
- 1.9 (b) "Abnormal market disruption" means a change in the market resulting from a natural
- 1.10 or man-made disaster, a national or local emergency, a public health emergency, or an event
- 1.11 resulting in a declaration of a state of emergency by the governor. The governor's declaration
- 1.12 must state that it is activating this section and note the geographic area to which this section
- 1.13 applies. This section shall terminate 30 days after the end of the state of emergency for
- 1.14 which it was activated.
- 1.15 (c) "Essential consumer good or service" means a good or service vital and necessary
- 1.16 for the health, safety, and welfare of the public, including without limitation: food, water,
- 1.17 fuel, gasoline, shelter, transportation, health care services, pharmaceuticals, and medical,
- 1.18 personal hygiene, sanitation, and cleaning supplies.
- 1.19 (d) "Seller" means manufacturer, supplier, wholesaler, distributor, or retail seller of
- 1.20 goods or services.
- 1.21 (e) "Unconscionably excessive" means there is a gross disparity between the seller's
- 1.22 price of a good or service, offered for sale or sold in the usual course of business, during

the 30 days immediately prior to the governor's declaration of an abnormal market disruption and the seller's price of the same or similar good or service after the governor's declaration of an abnormal market disruption and the gross disparity is not substantially related to an increase in the cost of obtaining or selling the good or of providing the service. A gross disparity between the price of a good or service does not occur when the amount charged after the abnormal market disruption increased the price 30 percent or less.

Subd. 2. **Prohibition.** If the governor declares an abnormal market disruption a person is prohibited from selling or offering to sell an essential consumer good or service for an amount that represents an unconscionably excessive price.

Subd. 3. **Civil penalty.** A person who is found to have violated this section is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty of \$10,000 per day.

Subd. 4. **Enforcement authority.** The attorney general may investigate an alleged violation of this section. The authority of the attorney general under this section includes but is not limited to the authority provided under section 8.31.

EFFECTIVE DATE. This section is effective the day following final enactment.