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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **740**

February 8, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

A bill for an act

relating to consumer protection; prohibiting price gouging on essential consumer goods and services under certain conditions; providing enforcement authority; proposing coding for new law in Minnesota Statutes, chapter 325E.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [325E.425] SALES ON ESSENTIAL CONSUMER GOODS AND SERVICES; UNCONSCIONABLY EXCESSIVE PRICES PROHIBITED.

Subdivision 1. **Definitions.** For purposes of this section, the terms in this subdivision have the meanings given them.

(a) "Abnormal market disruption" means any change in the market resulting from a natural or man-made disaster, a national or local emergency, or an event resulting in a declaration of a state of emergency by the governor or president.

(b) "Essential consumer goods or services" means goods or services vital and necessary for the health, safety, and welfare of the public, including, without limitation, food, water, fuel, gasoline, shelter, transportation, health care services, pharmaceuticals, and medical supplies.

(c) A price is "unconscionably excessive" if:

(1) the amount charged represents a gross disparity between the price of the good or service and (i) the price at which the same good or service was sold or offered for sale in the usual course of business immediately prior to the onset of the abnormal market disruption, or (ii) the price at which the same or similar good or service is readily obtainable by other purchasers in the trade area; and

(2) the disparity is not substantially attributable to significant additional costs not within the control of the seller and does not increase the seller's profit.

2.1 Subd. 2. **Prohibition.** During any abnormal market disruption, no person shall sell
2.2 or offer to sell any essential consumer goods or services for an amount that represents an
2.3 unconscionably excessive price.

2.4 Subd. 3. **Civil penalty.** Any person who violates this section is subject to a civil
2.5 penalty of not more than \$10,000 per sale or transaction.

2.6 Subd. 4. **Enforcement authority.** The attorney general may investigate an
2.7 alleged violation of this section. The authority of the attorney general under this section
2.8 includes, but is not limited to, the authority provided for in section 8.31. In addition, the
2.9 commissioner of commerce may use the authority under section 45.027 for the purpose of
2.10 preventing violations of this section.