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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 844

02/08/2021 Authored by Stephenson, Kotyza-Witthuhn, Howard and Bahner The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

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 or president. Abnormal
1.12 market disruption also means an increase in the price for an essential consumer good or
1.13 service that exceeds 30 percent within a seven-day period.

1.14 (c) "Essential consumer good or service" means a good or service vital and necessary
1.15 for the health, safety, and welfare of the public, including without limitation: food, water,
1.16 fuel, gasoline, shelter, transportation, health care services, pharmaceuticals, and medical
1.17 supplies.

1.18 (d) "Unconscionably excessive" means:
1.19 (1) the amount charged represents a gross disparity between the price of the good or
1.20 service and (i) the price the same good or service is sold or offered for sale in the usual
1.21 course of business immediately prior to the onset of the abnormal market disruption, or (ii)

2.1 the price the same or similar good or service is readily obtainable by other purchasers in
2.2 the trade area; and

2.3 (2) the disparity (i) is not substantially attributable to significant additional costs outside
2.4 of the seller's control, and (ii) does not increase the seller's profit.

2.5 Subd. 2. **Prohibition.** During an abnormal market disruption a person is prohibited from
2.6 selling or offering to sell an essential consumer good or service for an amount that represents
2.7 an unconscionably excessive price.

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

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

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