

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE DRS75201-RU-19 (02/06)

Short Title: Prevent Price Gouging During Disasters.

(Public)

Sponsors: Senator Swindell.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT SELLERS FROM EXCESSIVELY RAISING PRICES ON
THEIR MERCHANDISE DURING DECLARED STATES OF DISASTER.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 75 of the General Statutes is amended by
adding a new section to read:

"§ 75-36. Prohibit excessive pricing during states of disaster.

(a) It shall be unlawful for any person to sell or offer to sell during a state of
disaster or within 30 days of the termination of a state of disaster, in the area for which
the state of disaster has been declared, any merchandise which is consumed or used as a
direct result of an emergency or which is consumed or used to preserve, protect, or
sustain life, health, safety, or comfort of persons or their property for a price that
constitutes an excessive price increase.

(b) As used in this section, the following mean:

(1) Excessive price increase. – A price that is excessive as compared to the
price at which the consumer good or service was sold or offered for
sale by the seller in the usual course of business immediately prior to
the state of disaster. A price shall be deemed excessive if either of the
following conditions applies:

a. The price exceeds by more than ten percent (10%) the price at
which the good or service was sold or offered for sale by the
seller in the usual course of business immediately prior to the
state of disaster, unless the price charged by the seller is
attributable to additional costs imposed by the seller's supplier
or other costs of providing the good or service during the state
of disaster.

1 b. In those situations where the increase in price is attributable to
2 additional costs imposed by the seller's supplier or additional
3 costs of providing the good or service during the state of
4 disaster, the price represents an increase of more than ten
5 percent (10%) in the amount of the markup from cost,
6 compared to the markup customarily applied by the seller in the
7 usual course of business immediately prior to the state of
8 disaster.

9 (2) State of disaster. – A natural or man-made disaster or emergency as
10 declared in accordance with G.S. 166A-6 or G.S. 166A-8."

11 **SECTION 2.** This act becomes effective July 1, 2003.