

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 963
Second Edition Engrossed 4/28/03
House Committee Substitute Favorable 6/23/03

Short Title: Prevent Price Gouging During Disasters.

(Public)

Sponsors:

Referred to:

April 3, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO PROHIBIT SELLERS FROM CHARGING EXCESSIVE PRICES ON
3 THEIR MERCHANDISE AND SERVICES DURING DECLARED STATES OF
4 DISASTER.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 1 of Chapter 75 of the General Statutes is amended by
7 adding new sections to read:

8 **"§ 75-36. Declaration of State public policy.**

9 It is the public policy of this State to protect its citizens from price gouging during
10 states of disaster. The State also realizes the difficulty in regulating prices while not
11 defeating the ability of the market in goods and services from bringing supply back in
12 balance with demand and not defeating the function of price in allocating scarce
13 resources.

14 **"§ 75-36.1. Prohibit excessive pricing during states of disaster.**

15 (a) It shall be a violation of G.S. 75-1.1 for any person to sell or rent or offer to
16 sell or rent at retail during a state of disaster, in the area for which the state of disaster
17 has been declared, any merchandise or services which are consumed or used as a direct
18 result of an emergency or which are consumed or used to preserve, protect, or sustain
19 life, health, safety, or comfort of persons or their property with the knowledge and
20 intent to charge a price that is unreasonably excessive under the circumstances. In
21 determining whether a price is unreasonably excessive, it shall be considered whether:

22 (1) The price charged by the seller is attributable to additional costs
23 imposed by the seller's supplier or other costs of providing the good or
24 service during the state of disaster; and

25 (2) The seller offered to sell or rent the merchandise or service at a price
26 that was below the seller's average price in the preceding 60 days
27 before the state of disaster.

1 If the seller did not sell or rent or offer to sell or rent the merchandise or service in
2 question prior to the time the state of disaster was declared, the price at which the
3 merchandise or service was generally available in the trade area shall be used as a factor
4 in determining if the seller is charging an unreasonably excessive price.

5 (b) In the event the Attorney General investigates a complaint for a violation of
6 this section and determines that the seller has not violated the provisions of this section
7 and if the seller so requests, the Attorney General shall promptly issue a press release to
8 a television station and newspaper of general circulation in the county or counties where
9 the seller is located stating that the seller has not charged unreasonably excessive prices
10 during a state of disaster.

11 (c) A trade association, corporation, or partnership may register an agent for the
12 purposes of being notified when the Governor declares and terminates a state of
13 disaster. A trade association, corporation, or partnership may designate up to three
14 persons to be notified on behalf of the organization's members and is responsible for
15 maintaining current information for the designated agent or agents. The Office of the
16 Governor is responsible for notifying the registered agents simultaneously with the
17 declaration and termination of the state of disaster.

18 (d) For the purposes of this section, the end of a state of disaster is the earlier of
19 45 days or the termination of a natural or man-made disaster or emergency as declared
20 in accordance with G.S. 166A-6 or G.S. 166A-8.

21 **SECTION 2.** This act becomes effective on the later of July 1, 2003, or the
22 date it becomes law.