House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

CONCERNING A PROHIBITION AGAINST ENGAGING IN PRICE GOUGING FOR A PERIOD FOLLOWING A DECLARED DISASTER.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill establishes that a person engages in a deceptive trade practice if the person, for a period following the declaration of a disaster or disaster emergency by the president of the United States, the governor of the state, or the principal executive officer of a political subdivision and in the geographic area for which the disaster was declared, sells, offers for sale, provides, or offers to provide any of the following at a
price so excessive as to amount to price gouging:

| ! Building materials; |
| ! Consumer food items; |
| ! Emergency supplies; |
| ! Fuel; |
| ! Medical supplies; |
| ! Other necessities; |
| ! Repair or reconstruction services; |
| ! Transportation, freight, or storage services; or |
| ! Services used in an emergency cleanup. |

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, add 6-1-730 as follows:

6-1-730. Price gouging during declared disaster prohibited - deceptive trade practice - legislative declaration - definitions. (1) The General Assembly hereby:

(a) Finds and determines that:

(I) Under ordinary conditions, the pricing of consumer goods and services generally is best left to the marketplace; except that, when a declared disaster results in abnormal disruptions of the market, the public interest requires that any unfair and unconscionable increase in the price of consumer goods or services be discouraged; and

(II) Protecting consumers from price gouging is a vital function of the state's interest in providing for the health, safety, and welfare of the public; and

(b) Declares that existing prohibitions on deceptive or unfair and unconscionable trade practices under this article 1 should be clarified to ensure that price gouging has been and remains a violation of this article 1.
(2) A person engages in an unfair and unconscionable act or practice when, during a disaster period and within the designated area, the person charges a price so excessive as to amount to price gouging in:

(a) The sale or offer for sale of:
   (I) Building materials;
   (II) Consumer food items;
   (III) Emergency supplies;
   (IV) Fuel;
   (V) Medical supplies; or
   (VI) Other necessities; or

(b) The provision of or offer to provide:
   (I) Repair or reconstruction services;
   (II) Transportation, freight, or storage services; or
   (III) Services used in an emergency cleanup.

(3) A price shall not be considered unreasonably excessive if the seller can prove that, due to the events that gave rise to the disaster declaration, the price charged by the seller is directly attributable to additional costs imposed by the seller's supplier or suppliers or other direct costs of providing the good or service sold or offered for sale by the seller.

(4) This section is enforceable solely by, and at the discretion of, the attorney general or the district attorney with jurisdiction over the conduct at issue.

(5) As used in this section:

   (a) "Building materials" means lumber, construction
TOOLS, WINDOWS, AND OTHER MATERIALS USED IN THE REPAIR OR
RECONSTRUCTION OF A STRUCTURE OR OTHER PROPERTY.

(b) "Consumer food item" means an article used or
intended for use as food, beverage, confection, or condiment for
human or animal consumption.

c) "Designated area" means the specific geographic area
identified in a disaster declaration.

d) "Disaster" has the meaning set forth in section
24-33.5-703 (3).

e) "Disaster declaration" means the declaration of:

(I) A national emergency by the President of the United
States pursuant to the "National Emergencies Act", 50 U.S.C.
sec. 1601 et seq., as amended; or

(II) A disaster emergency by the Governor pursuant to
section 24-33.5-704 (4).

(f) "Disaster period" means:

(I) With respect to the sale or offer for sale of products
pursuant to subsection (2)(a) of this section or the provision of
or offer to provide transportation, freight, or storage services
pursuant to subsection (2)(b)(II) of this section, the period
between the date a disaster declaration begins and thirty days
after the date the disaster declaration expires; or

(II) With respect to the provision of or offer to provide
repair or reconstruction services pursuant to subsection
(2)(b)(I) of this section or services used in an emergency cleanup
pursuant to subsection (2)(b)(III) of this section, the period
between the date a disaster declaration begins and one hundred
EIGHTY DAYS AFTER THE DATE THE DISASTER DECLARATION EXPIRES.

(g) "EMERGENCY SUPPLIES" INCLUDES WATER, ICE, FLASHLIGHTS, RADIOS, BATTERIES, CANDLES, BLANKETS, SOAP, DIAPERS, TEMPORARY SHELTERS, TAPE, TOILET PAPER, TISSUES, PAPER TOWELS, AND TOILETRIES.

(h) (I) "FUEL" MEANS ANY LIQUID OR GAS USED TO POWER A VEHICLE OR POWER TOOL OR USED TO HEAT AND POWER A BUILDING. (II) "FUEL" INCLUDES GASOLINE, DIESEL FUEL, AND METHYL ALCOHOL.

(i) "MEDICAL DEVICE" HAS THE SAME MEANING AS "DEVICE" AS SET FORTH IN SECTION 25-5-402 (8).

(j) "MEDICAL SUPPLIES" INCLUDES PRESCRIPTION AND NONPRESCRIPTION MEDICATION, MEDICAL DEVICES, BANDAGES, GAUZE, ISOPROPYL ALCOHOL, AND ANTIBACTERIAL PRODUCTS.

(k) "NECESSITIES" MEANS GOODS AND SERVICES THAT ARE NECESSARY FOR HUMAN OR ANIMAL SURVIVAL DURING A DISASTER PERIOD.

(l) "REPAIR OR RECONSTRUCTION SERVICES" MEANS SERVICES PERFORMED TO REPAIR OR RECONSTRUCT ANY TYPE OF VEHICLE; RESIDENTIAL, COMMERCIAL, AGRICULTURAL, OR GOVERNMENT-OWNED PROPERTY; OR ANY PROPERTY OWNED BY AN EDUCATIONAL INSTITUTION, THAT IS DAMAGED AS A RESULT OF A DISASTER.

(m) (I) "TRANSPORTATION, FREIGHT, OR STORAGE SERVICES" MEANS A SERVICE THAT IS PERFORMED BY A PERSON THAT: (A) CONTRACTS TO MOVE, TRANSPORT, OR STORE PROPERTY; OR (B) RENTS EQUIPMENT FOR THE PURPOSE OF MOVING, TRANSPORTING, OR STORING PROPERTY. (II) "TRANSPORTATION, FREIGHT, OR STORAGE SERVICES"
INCLUDES TOWING SERVICES.

SECTION 2. Applicability. This act applies to actions brought on or after the effective date of this act.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.