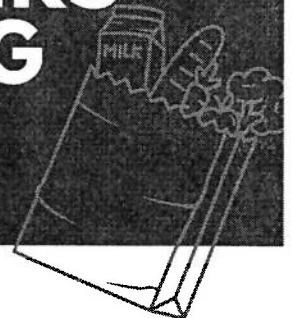


PROTECTING CONSUMERS FROM PRICE GOUGING

HB25-1010

Sponsors: Rep. Zokaie, Rep. Brown, Sen. Weissman



Background

Coloradans are facing increasing hardships due to rising prices while bad actors continue to inflate prices beyond what is necessary to cover increases in their costs. Although Colorado law protects consumers from unfair price gouging during declared emergencies, some are exploiting broader market trends such as inflation, tariffs, and supply chain disruptions to justify excessive price increases. Businesses are also victims of price gouging by their suppliers, and currently have no recourse.

The Federal Trade Commission

Report from March 2024

Key Findings:

A March 2024 report from the Federal Trade Commission examining supply chain disruptions and its impact on prices found “elevated profit levels” beyond what could be attributable to supply chain disruptions. It also noted that large retailers and wholesalers had “considerable” leverage over suppliers and could take action to limit their own cost increases when experiencing supply chain disruptions.

SOLUTIONS:

We need to update our state price gouging protections to hold bad actors accountable and ensure we are prioritizing public welfare and protecting consumers from exploitative practices.

Ensure Colorado residents are shielded from price gouging without preventing businesses from increasing prices to account for increased costs. This legislation expands Colorado’s prohibition on price gouging to prevent unfair and unconscionable increases in the cost of necessities beyond declared emergencies. The bill would:

- Bar unfair and unconscionable increases in the cost of necessities like groceries, diapers, and sanitary products;
- Define necessities to include goods and services essential for the health, safety, and welfare of the public;
- Set a presumption that raising the cost of necessities by 10% or more above the average price in the preceding 90 days is price gouging;
- Empower the Colorado AG to create and enforce rules ensuring compliance

Expanding the scope of price gouging legislation is not only a measure of economic justice but also a commitment to maintaining equitable access to necessities for all Coloradans.

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