Proskauer

Price Gouging Weekly Round Up

March 15, 2021

Price gouging enforcement and litigation is front and center for company counsel and business managers nationwide. Our weekly round up highlights some of the most relevant news and information for our clients and friends.

Sixth Circuit Hears Arguments in *Online Merchants Guild v. Cameron*

On March 10, 2021, a Sixth Circuit panel heard arguments from the Online Merchants Guild and the State of Kentucky regarding an Eastern District of Kentucky federal judge's preliminary injunction enjoining Kentucky Attorney General David Cameron from investigating price gouging by Amazon sellers. For more information on the parties arguments, read the State's brief here and the Online Merchants Guild brief here.

Florida AG's Price Gouging Hotline Hits One Year of Activation

March 10, 2021 marked the one year anniversary of Florida Attorney General Ashley Moody's activation of Florida's Price Gouging Hotline in response to the COVID-19 state of emergency. Since the hotline's activation, Attorney General Moody's Consumer Protection Division's Rapid Response Team has obtained more than $2.5 million in recoveries for consumers regarding cancellations, purchases and scams related to COVID-19. The Consumer Protection Division received more than 14,700 consumer contacts, made more than 11,400 referrals and contacts to merchants regarding price gouging, and worked with online platforms to deactivate 290 posts offering items for outrageous prices over the past year. Attorney General Moody stated that "our work is not over and my Consumer Protection investigators continue to track down leads and follow up on complaints."

Washington D.C. Introduces the Seasonal Pricing Price Gouging Amendment Act of 2021

On March 1, 2021, the D.C. Legislature introduced Bill 24-0126, the Seasonal Pricing Price Gouging Amendment Act of 2021. The bill aims to amend the Title 28 of D.C.'s Official Code to allow for an "alternative calculation" for rental vehicles "based on a seasonal pricing model to protect consumers from price gouging" and to make a "public health emergency a triggering event for the prohibition against price gouging." The act would classify the calendar year 2021's "normal average retail price" as the price of a given item from the same month in 2019, but for the calendar year 2022 and thereafter, "normal average retail price" will be the price of the item the same week of the same month of the prior year in the Washington Metropolitan Area. The bill is sponsored by council members Phil Mendelson (D) and Charles Allen (D).

Tennessee Announces 2020's Top Ten Consumer Complaints

Tennessee Attorney General Herbert Slatery's office recently released the list of the top ten complaints from 2020. While home improvements such as home repair and home warranties came in first place, pandemic-related price gouging came close in second place with 343 complaints. Most of the price gouging complaints related to unreasonable prices for essential items such as groceries and medicine. Surprisingly, the overall number of consumer complaints in Tennessee decreased from 2019 to 2020.

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