Proskauer

Price Gouging Weekly Round Up

March 30, 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.

Minnesota House Passed Price Gouging Law

On March 22, 2021, the Minnesota House passed File 844 along party lines by a 71-62 vote. The bill seeks to create a civil penalty of up to $1,000 per transaction for retailers who price gouge essential goods and services. While the bill has received support from retail associations, it is opposed by some grocer associations. According to the president of one grocer association, there are fears that the bill will put undue financial restrictions on grocers. Governor Tim Walz's emergency declaration that began in March 2020 currently prohibits price gouging, but enactment of File 844 would put a permit law on the books.

Mississippi Business Owner Pleads Guilty to Price Gouging

Mississippi Attorney General Lynn Fitch's office has found a wholesale pharmaceutical owner guilty of price gouging hundreds of thousands of personal protective equipment from March 2020. The investigation resulted in the seizure of items ranging from respirators and surgical masks, to gloves, lab coats, and face shields. The Mississippi owner has agreed to pay $60,000 in restitution to a Jackson, Mississippi VA medical center. "Taking advantage of our neighbors in need during a crisis to turn an extra profit is wrong," Attorney General Fitch said. "We are turning this PPE back to the men and women who have sacrificed so much for us during this pandemic – health centers, law enforcement, and fire departments."

Texas Attorney General's Office Receives Nearly 2,000 Price Gouging Complaints

Following February's winter storm, the Texas Office of Attorney General received nearly 2,000 complaints about price gouging. From February 13th to 26th, a total of 1,960 complaints were filed, most of which related to utility and electric companies. Other complaints included retail-grocery and convenience stores, gas stations, hotels, plumbers, internet providers, and restaurants. Comparatively, Attorney General Paxton's office received over 5,000 price gouging complaints following Hurricane Harvey in 2017 and just 68 complaints after Hurricane Laura in August of 2020. The most complaints were filed on February 18, 2021, with over 300 complaints in one day.

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