

Price Gouging Weekly Round Up

April 19, 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.

[Fresno Business Fined for Price Gouging Speaks Out After Thrown Out on Appeal](#)

A Fresno business is calling on city officials to apologize for issuing them a \$10,000 price gouging fine. The business was cited for charging \$16 for a 24 pack of water in March 2020, while Fresno was under a State of Emergency. The family business successfully appealed the price gouging fine. The Hearing Officer determined that the city had failed to provide sufficient evidence as to the specific product at issue in the citation and had failed to calculate the retail price charged prior to the state of emergency. The business contended that the city inspector had misclassified the size of the water bottles, had ignored the owner's proffered evidence as to prices, and instead had compared the quoted prices to other retailers. Accordingly, the case was dismissed. However, as a result of the fine, the business has faced vandalism and harassing phone calls over the accusation.

[Pennsylvania Introduces Amendments to the State's Price Gouging Act](#)

On April 9, 2021, Pennsylvania state legislators introduced SB498, an amendment to the state's Price Gouging Act. The bill further defines key statutory terms, such as "cost" and "unconscionably excessive." In defining "unconscionably excessive," the bill notes particular defenses to allegations of price gouging based on profit margins, market fluctuation, and pre-existing price formulas. The bill also provides that when a state of emergency is declared, price gouging restrictions remain in place for a period of only 15 days. The Governor may extend the price gouging restrictions for three additional 15-day intervals. This is in stark contrast to Pennsylvania's current price gouging law, which remains in effect for the duration of the state of emergency and 30 days after the state of emergency is terminated. SB 498 is awaiting a hearing in the Veterans Affairs and Emergency Preparedness Committee.

Connecticut Introduces New Price Gouging Legislation

On Tuesday, April 13, 2021, House Bill 5307 was introduced in the Connecticut House of Representatives to amend the state's price gouging law. The bill proposes removing the current prohibition on any price increase not related to costs and instead would prohibit sellers from offering products at "unconscionably excessive price[s]." Under the proposed regime, an unconscionably excessive price means the amount charged "represents a *gross disparity* between the price for which an item was sold [...] immediately prior" to the state of emergency or when the price is "not attributable to additional costs."

Kansas School Districts Pushing Back Against Skyrocketed Gas Bills

Newton School District in Kansas received a near-\$190,000 gas bill in the wake of the winter storms. The Kansas Association of School Boards opened an investigation into possible price gouging in connection with the energy bills Newton and other Kansas school districts are facing. Of Kansas' 309 public school districts, approximately 178 are facing bills up to \$200,000 following the February storms. The attorney representing the School Boards noted for some school districts, bills from the period of the storm equal the salary costs for four teachers. This investigation is focused on potential price gouging claims in light of the Governor's February 14 declaration of a state of emergency in relation to the storms. For more information on Kansas' price gouging law, please visit our [Coast-to-Coast Reference Guide](#).

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