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**Select Committee on Community  
Security Committee**

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**HB 2419**

**Brief Description:** Prohibiting price gouging during significant disruption, emergency, or disaster.

**Sponsors:** Representatives Simpson, Conway, Morris, Cooper, Schmidt, Kirby, Lovick, Wood, Haigh, Kenney, Chase, Schual-Berke and Jackley; by request of Governor Locke and Attorney General.

**Brief Summary of Bill**

- Prohibits the sale of essential consumer goods at clearly excessive prices during an emergency or disaster.
- Establishes remedies under the consumer protection act.
- Provides an affirmative defense.

**Hearing Date:** 1/22/02

**Staff:** Sydney Forrester (786-7120).

**Background:**

The emergency management act was enacted to insure that preparations of this state will be adequate to deal with disasters, to protect the public peace, health, and safety, and to preserve the lives and property of the people of Washington.

The consumer protection act was enacted to provide civil remedies for damages related to unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade and commerce.

**Summary of Bill:**

### Prohibited Activity

The sale or offer to sell essential consumer goods at clearly excessive prices during an emergency, disaster, or significant disruption is prohibited and constitutes a violation of the consumer protection act. Essential consumer goods are goods and services necessary for the health, safety, and welfare of consumers, such as food, fuel, and medical supplies. A clearly excessive price is a price exceeding the price at which similar goods were available in comparable transactions immediately prior to an emergency. A significant disruption, emergency, or disaster is a change in the market triggered by terrorist acts, civil disorder, war, extreme weather conditions, natural disasters, or a national, statewide, or local emergency or disaster, whether formally declared or not.

### Remedy Available

The consumer protection act allows an injured party to file a civil claim to prevent further violations and to recover actual damages, costs, and attorney fees. The court has discretion to increase an award of damages up to an amount three times the actual damages sustained. The attorney general also may bring an action to enjoin an activity prohibited under the act.

### Affirmative Defense

It is an affirmative defense that the price charged for essential consumer goods during an emergency reflects reasonable expenses over and above the prior price of the goods. Reasonable expenses are limited to those necessarily incurred to procure or deliver goods or services during an emergency.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.