
HOUSE BILL 2419

State of Washington

57th Legislature

2002 Regular Session

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

Read first time 01/16/2002. Referred to Committee on Select Committee on Community Security.

1 AN ACT Relating to price gouging during significant disruption,
2 emergency, or disaster; and adding a new section to chapter 38.52 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 38.52 RCW
5 to read as follows:

6 (1)(a) In order to prevent any party from unjust enrichment at the
7 expense of people and to prevent victimization of people and
8 communities vulnerable to price gouging or clearly excessive pricing
9 practices during times of abnormal market conditions caused by
10 significant disruptions, emergencies, or disasters, the legislature
11 declares that the public interest requires that price gouging or
12 clearly excessive pricing be prohibited and made subject to civil
13 penalties.

14 (b) No person may sell or offer to sell essential consumer goods or
15 services at a clearly excessive price during a significant disruption,
16 emergency, or disaster. It is a defense that the price charged or
17 received reflects reasonable expenses in addition to the prior price of
18 the goods and services, but such reasonable expenses are limited to
19 those which are necessarily incurred in procuring or delivering such

1 goods and services during the significant disruption, emergency, or
2 disaster.

3 (c) Each sale or offer for sale at a price that is prohibited by
4 (b) of this subsection constitutes a separate violation.

5 (2) As used in this section:

6 (a) "Significant disruption, emergency, or disaster" means a
7 significant disruption in the market triggered by terrorist act, civil
8 disorder, war, or military action; convulsion of nature or extreme
9 weather conditions; or national, statewide, or local emergency or
10 disaster, whether formally declared or not.

11 (b) "Essential consumer goods or services" means goods or services
12 which are vital and necessary for the health, safety, and welfare of
13 consumers, such as consumer and domestic food items; fuel for heat and
14 transportation; and those goods or services and emergency and medical
15 supplies necessary or used in direct response to the significant
16 disruption, emergency, or disaster.

17 (c) "Clearly excessive price" means a price which, at the time of
18 the transaction, clearly exceeds the price at which similar goods or
19 services were readily obtainable in comparable transactions by
20 consumers immediately before the significant disruption, emergency, or
21 disaster.

22 (3) The legislature finds that the practices covered by this
23 section are matters vitally affecting the public interest for the
24 purpose of applying the consumer protection act, chapter 19.86 RCW. A
25 violation of this section is not reasonable in relation to the
26 development and preservation of business and is an unfair or deceptive
27 act in trade or commerce and an unfair method of competition for the
28 purpose of applying the consumer protection act, chapter 19.86 RCW.

--- END ---