

## **What is Price Gouging?**

- During a state of emergency, the prices charged or value received for goods and services sold within the designated emergency area may not exceed the prices ordinarily charged for comparable goods and services in the same market area at or immediately before the time of the state of emergency.
  - Unless the price by the seller is attributable to
    - fluctuations in applicable commodity markets
    - fluctuations in applicable regional or national market trends or
    - fluctuations to reasonable expenses and charges and attendant business risk incurred in procuring or selling the goods or services during the state of emergency (La. R.S. 29:732)

## **Price Gouging (a condensed explanation):**

- The prices charged for goods or services sold cannot exceed the prices ordinarily charged for comparable goods or services in the same market area at and immediately before the state of emergency
  - unless the price increases are attributable to verifiable regional or national market trends and fluctuations; or
  - unless the price increases are attributable to additional supply costs.

## **Another way to say there are exceptions:**

- It is important to keep in mind that the law allows companies to charge more for products and services when the difference in price is due to increased costs to the supplier or market trends unrelated to the disaster.

## **Prima facie proof of a violation (“gross disparity”):**

- A violation occurs when there is a gross disparity between the price of the goods or services and their value measured by the price the goods or services were offered for sale by a merchant immediately prior to the onset of the abnormal disruption of the market
  - and the amount charged by the merchant was not attributable to additional costs imposed by its suppliers.
- A violation also occurs when the amount charged grossly exceeds the price at which the same or similar goods or services were readily obtainable by other consumers in the trade area

- and the amount charged by the merchant was not attributable to additional costs imposed by its suppliers.

#### **When is Price Gouging Law in effect?**

- Upon declaration of a state of emergency made by the governor or by a parish president. La. R.S. 29:732 (A).
- It can be renewed by specific reference in subsequent proclamations renewing the declared state of emergency, which are effective for up to an additional 30 days each. La. R.S. 29:732 (B).

#### **What products and services are covered?**

- Goods and Services. La. R.S. 29:732 (A).

#### **What geographical area does it cover?**

- This one is statewide per the Governor's executive orders or proclamations, which indicates the designated emergency area which is or may be affected. La. R.S. 29:724 (B)(3).

#### **Who can bring an action?**

- Only a district attorney, parish attorney, or the AG may bring action. La. R.S. 29:734 (A). CIVIL.
  - Statute specifically prohibits a private cause of action. La. R.S. 29:732 (G).
  - Victims may have claims under the unfair trade practice statute. La. R.S. 51:1401 et seq.
- In certain situations price gouging is a crime (the chief law enforcement officer of the political subdivision can issue an order prohibiting price gouging). La. R.S. 14:329.6. CRIMINAL.

#### **What are potential remedies?**

- Injunctive relief, civil penalty, and restitution. La. R.S. 29:734.
- Each sale or offer for sale constitutes a separate offense. La. R.S. 29:732.
- Also, injunctive relief, damages, civil penalties, restitution under LUTPA. La. R.S. 51:1401 et seq.
- In criminal proceedings, the offender shall be fined not more than five hundred dollars or be imprisoned not more than six months, or both. 14:329.7.
- In criminal proceedings, if a willful violation and there is any serious bodily injury or any property damage in excess of five thousand dollars, the offender shall be imprisoned at hard labor for not more than five years. R.S. 14:329.1-14:329.8

- In criminal proceedings, if a willful violation and the death of any person occurs, such offender shall be imprisoned at hard labor for not to exceed twenty-one years. R.S. 14:329.1-14:329.8

**What should someone do if they are a victim or want to report potential price gouging?**

- We recommend that they contact local law enforcement with complaints about price gouging.
- We also recommend that they file a consumer dispute with our office through the Attorney General's website at [www.aglizmurrill.com](http://www.aglizmurrill.com).
  - We encourage complainants to provide specific evidence supporting the complaint, including advertisements and receipts of the product or service.
- They can also contact us through the Attorney General's Consumer Hotline at (800) 351-4889.

**What does the AGO do when it gets a complaint?**

- We take complaints of price gouging seriously.
- We review every complaint.
- We will bring civil actions against those merchants that violate the law.