

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 963
Second Edition Engrossed 4/28/03

Short Title: Prevent Price Gouging During Disasters. (Public)

Sponsors: Senators Swindell; Apodaca, Gulley, Jenkins, Lucas, Metcalf, Moore, Pittenger, Rand, Reeves, and Thomas.

Referred to: Commerce.

April 3, 2003

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT SELLERS FROM EXCESSIVELY RAISING PRICES ON
THEIR MERCHANDISE DURING DECLARED STATES OF DISASTER.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 75 of the General Statutes is amended by adding a new section to read:

"§ 75-36. Prohibit excessive pricing during states of disaster.

(a) It shall be unlawful for any person to sell or offer to sell during a state of disaster or within 30 days of the termination of a state of disaster, in the area for which the state of disaster has been declared, any merchandise or services which are consumed or used as a direct result of an emergency or which are consumed or used to preserve, protect, or sustain life, health, safety, or comfort of persons or their property for a price that constitutes an excessive price increase.

(b) As used in this section, the following mean:

(1) Excessive price increase. – A price that is excessive as compared to the price at which the consumer good or service was sold or offered for sale by the seller in the usual course of business immediately prior to the state of disaster. A price shall be deemed excessive if either of the following conditions applies:

a. The price exceeds by more than ten percent (10%) the price at which the good or service was sold or offered for sale by the seller in the usual course of business immediately prior to the state of disaster, unless the price charged by the seller is attributable to additional costs imposed by the seller's supplier or other costs of providing the good or service during the state of disaster.

b. In those situations where the increase in price is attributable to additional costs imposed by the seller's supplier or additional

1 costs of providing the good or service during the state of
2 disaster, the price represents an increase of more than ten
3 percent (10%) in the amount of the markup from cost,
4 compared to the markup customarily applied by the seller in the
5 usual course of business immediately prior to the state of
6 disaster.

7 (2) State of disaster. – A natural or man-made disaster or emergency as
8 declared in accordance with G.S. 166A-6 or G.S. 166A-8."

9 **SECTION 2.** This act becomes effective July 1, 2003.