

---

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 ---