

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-5307

Title: AN ACT CONCERNING PRICE GOUGING.

Vote Date: 2/2/2021

Vote Action: Joint Favorable Substitute

PH Date: 1/28/2021

File No.: 3

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SPONSORS OF BILL:

General Law

REASONS FOR BILL:

This bill will modify Section 42-230 of the General Statutes. The changes address the excessive price increases that may occur during a declared emergency.

Price gouging is defined as a retailer changing the price of an item during a declaration of emergency. This bill extends further the enforcement of price gouging by fining violators. Currently this law only applies to retailers, but with the changes in this bill, it will apply for manufacturers, suppliers, wholesalers, and distributors as well. Also due to the law currently only applying to sellers, this bill will also apply for any rental transactions as well.

RESPONSE FROM ADMINISTRATION/AGENCY:

Attorney General William Tong submitted testimony in support of the bill. The recent pandemic revealed three short comings that limit the statute's effectiveness. The present statute only covers retail sales and does not adequately define price gouging in wholesale, leases and rental items. Amending the statutes to apply up and down the supply chain will better protect our consumers.

State of Connecticut Judicial Branch sent testimony with two clarifications to the bill. The language in lines 34-36 should clarify that the Attorney General shall bring enforcement action and in line 31 the language should be amended to read "Any seller which violates" to reflect the amended language in line 18.

NATURE AND SOURCES OF SUPPORT:

Community Health Center Association of Connecticut supports the bill. Community health centers serve everyone that walks thru our doors. On a daily basis we use N95 masks, surgical/procedure masks, gowns, gloves, disinfectant and hand sanitizer in caring for our patients. We purchase large quantities and noticed because of the high demand the prices for these were inflated and there was not adequate enforcement of price controls. The quality of these produces was not sufficient and though we paid inflated prices some products were counterfeit and unusable for our health centers. This bill gives us the opportunity to protect our workforce and Connecticut residents from unscrupulous vendors.

Connecticut Hospital Association submitted testimony in support of the bill. As the center of the global public health emergency in the states response to COVID-19 CHA continues to provide high-quality care for everyone regardless of their ability to pay. The bill clarify and improves Connecticut statues on price gouging. Price gouging on personal protective equipment and other types of medical goods and services during this public health emergency threaten the health and safety of providers and their patients. CHA and Connecticut hospitals support every effort to protect our medical providers.

Tracey Wodatch, President and CEO, The Connecticut Association for Healthcare at Home supports the bill. The changes to improve the statues are timely and necessary especially given the global COVID-19 pandemic. We were not part of the initial statewide PPE distribution and were desperate due to pricing and supply. We had to resort to desperate alternatives. Our providers are struggling to stay in business due to the lack of supplies and the exorbitant pricing of what was available.

Collaborations Group submitted testimony in support of the bill.

Connecticut Hospital Association
American Medical Response
Association of Connecticut Ambulance Providers
Community Health Center Association
Connecticut Assisted Living Association
Connecticut Association of Ambulatory Surgery Centers
Connecticut Association for Healthcare at Home
Connecticut Association of Health Care
Facilities/Connecticut Center for Assisted Living
Connecticut Optometric Society
Connecticut Psychological Association
Connecticut Radiological Society
LeadingAge Connecticut
New Britain Emergency Medical Services

NATURE AND SOURCES OF OPPOSITION:

Brian Moran, Government Affairs Director, New England Convenience Store & Energy Marketers Association opposes the bill. The bill as written precludes any justifiable price increases throughout the entire supply chain during an emergency. This sets a dangerous precedent and largely ignores supply and demand economic principles.

