To: All Honorable Members of the Pennsylvania State Senate

Re: Support SB 1172 -- Amending PA’s Price Gouging Act

Date: October 15, 2018

From:
American Car Rental Association
Associated Petroleum Industries of PA
National Federation of Independent Business
Pennsylvania Builders Association
Pennsylvania Chamber of Business and Industry
Pennsylvania Food Merchants Association
Pennsylvania Manufacturers Association
Pennsylvania Restaurant and Lodging Association
Pennsylvania Retailers Association

As members of a broad coalition of Pennsylvania businesses and industries, we urge you to support Senate Bill 1172, expected to be before you this week for concurrence. This bill passed the Senate unanimously earlier this year and, early this month, also passed the House of Representatives unanimously.

The Price Gouging Act, as currently written, leaves businesses, manufacturers and retailers potentially vulnerable to enforcement action from the state’s Office of Attorney General for price increases on consumer goods that may occur during disaster emergencies and for thirty days after a disaster declaration is terminated. This is an excessively long period as compared to other state laws and has resulted in situations where pricing restrictions from late winter snowstorms remained in place through the Fourth of July.

Governor Wolf’s January disaster declaration to combat the heroin and opioid epidemic has triggered the Price Gouging Act. With the recent renewal of the disaster declaration, all consumer goods and services are subject to pricing restrictions for the foreseeable future, impacting every manufacturer, distributor and retailer across the state.

These situations emphasize the need to reshape the law so that its impact is more focused and more effective. This legislation limits the duration of pricing restrictions to 15 days, with extensions up to 60 days, and limits their scope to those goods and services necessary for use or consumption. SB 1172 also provides guidance and clarity for the consumer on what constitutes an “unconscionably excessive” price with a lower threshold of 10% or less above specified benchmarks, or market and contract prices. This is more stringent than the threshold currently imposed by the law.

The legislation was amended in the House, again receiving no negative votes and with support of the prime sponsor Senator Vulakovich, in an effort to streamline the legislation by eliminating two provisions originally proposed in the Senate version of the bill. These provisions would have required the Governor to issue two proclamations for price controls to go into effect during a disaster declaration and would have pre-empted local regulations that were in conflict with the underlying statute.
We recognize the vital importance of ensuring consumer protections, especially in times of emergencies. We also recognize the need for predictability and consistency in our economy and business operations. Therefore, we respectfully ask you to vote to concur with the House on this legislation and send SB 1172 to the Governor’s desk.

Thank you.