To: All Honorable Members of the Pennsylvania House of Representatives

Re: Support SB 1172 -- Amending PA’s Price Gouging Act -- & Amendment A09273

Date: September 25, 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 Senator Vulakovich’s Senate Bill 1172, expected for second consideration on the floor of the House this week. We also encourage you to support the amendment being offered by Representative Barrar, A09273. Earlier this past June, this bill passed the Senate unanimously and was reported out of the House Veterans Affairs and Emergency Preparedness Committee by a unanimous vote.

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. Accordingly, SB 1172 requires a separate declaration to trigger pricing restrictions so that they apply only when needed. This legislation also 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. Finally, SB 1172 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 amendment being offered by Rep. Barrar streamlines 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 yes on SB 1172 and amendment A09273 and strengthen the Price Gouging Act for consumers and business alike.

Thank you.