
DIGEST

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HB 763 Original

2020 Regular Session

McFarland

Abstract: Provides for a gubernatorial declaration of an abnormal economic disruption in order to prohibit excessive price increases for certain goods and services during an abnormal economic disruption.

Present law (R.S. 9:721 et seq.) provides for the La. Homeland Security and Emergency Assistance and Disaster Act which confers certain emergency powers upon the governor and the parish presidents in order to address homeland security and emergency preparedness for the state and to respond to natural and man-made catastrophes.

Present law provides that the governor is responsible for meeting the dangers to the state and people presented by emergencies or disasters, and authorizes the governor to issue executive orders, proclamations, and regulations which have the force and effect of law.

Present law (R.S. 29:732) provides, in part, that during a state of emergency as declared by the governor or as declared by the parish president, the prices charged or value received for goods and services sold within the designated emergency area may not exceed the prices ordinarily charged for comparable goods and services in the same market area at or immediately before the time of the state of emergency, unless the price by the seller is attributable to fluctuations in applicable commodity markets, fluctuations in applicable regional or national market trends, or to reasonable expenses and charges and attendant business risks incurred in procuring or selling the goods or services during the state of emergency.

Present law provides that the prohibition from price gouging pursuant to present law is effective for an initial period not to exceed 30 days pursuant to the initial declared state of emergency as referenced in present law (R.S. 29:724) and shall be renewed only by specific reference in any subsequent proclamations.

Proposed law retains present law and further authorizes a gubernatorial declaration of an abnormal economic disruption in order to prohibit excessive price increases for certain goods and services during an abnormal economic disruption.

Proposed law defines "abnormal economic disruption" and "costs".

Proposed law provides that the gubernatorial declaration may specify certain goods or services which are covered by the prohibition.

Proposed law provides that a price increase is not grossly excessive if the increase was directly attributable to any of the following:

- (1) Price increases in applicable regional, national, or international commodity markets.
- (2) Pricing set forth in any pre-existing agreement, including stored and in-transit inventory.
- (3) Additional costs imposed on the person by the supplier of the goods or services.
- (4) Additional costs for labor, services, or materials used to provide the goods or services, including costs of replacement inventory, additional costs to transport goods or services, and additional labor charges.

Proposed law provides that the provisions of present law (R.S. 29:732) regarding price gouging shall supercede any conflicting provisions of proposed law upon the implementation of present law by the declaration of a state of emergency.

(Adds R.S. 29:723(18) and (19) and 724(H))