

First Extraordinary Session, 2005

HOUSE BILL NO. 86

BY REPRESENTATIVES ANSARDI AND GALLOT AND SENATOR LENTINI

CRIME: Includes the rental of immovable property in the prohibition against price gouging during certain emergencies

1 AN ACT

2 To enact R.S. 29:732(E), relative to price gouging; to include the lease of immovable
3 property in the crime of price gouging during certain emergencies; to provide for
4 criminal penalties; to provide for definitions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 29:732(E) is hereby enacted to read as follows:

7 §732. Price gouging; prohibited

8 * * *

9 E. During a state of emergency as declared pursuant to this Chapter, the
10 following prohibitions shall be applicable to the lease of immovable property:

11 (1) The rent received for a lease entered into on or before the declaration of
12 a state of emergency shall not exceed the rent received prior to the state of
13 emergency.

14 (2) The rent received for a lease entered into during the state of emergency
15 shall not exceed the rent ordinarily charged for comparable leased things in the same
16 market area at, or immediately before, the time of the state of emergency, except that
17 the rent received may include reasonable expenses and a charge for any attendant
18 business risk, in addition to the costs of the leased thing which necessarily are
19 incurred in procuring, preparing, improving, or maintaining the thing for lease during
20 the state of emergency.

1 (3) For the purposes of this Subsection, "rent" includes nonrefundable fees,
2 charges, and deposits.

3 (4) A violation of this Subsection shall be subject only to the criminal
4 penalties provided in R.S. 29:734.

5 Section 2. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Ansardi

HB No. 86

Abstract: Provides for the crime of price gouging and related criminal penalties for the lease of immovable property during certain emergencies.

Present law provides that during a state of emergency as declared by the governor or as declared by the parish president or during a named tropical storm or hurricane in or threatening the Gulf of Mexico, the 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.

Present law provides that the value received for goods and services may include reasonable expenses and a charge for any attendant business risk, in addition to the cost of the goods and services which necessarily are incurred in procuring the goods and services during the state of emergency.

Present law authorizes the imposition of injunctions, civil penalties, restitution, and criminal penalties for violations of present law.

Proposed law retains present law and provides that during a state of emergency as declared pursuant to present law, the following prohibitions shall be subject to criminal penalties and shall be applicable to the lease of immovable property:

- (1) The rent received for a lease entered into on or before the declaration of a state of emergency shall not exceed the rent received prior to the state of emergency.
- (2) The rent received for a lease entered into during the state of emergency shall not exceed the rent ordinarily charged for comparable leased things in the same market area at, or immediately before, the time of the state of emergency, except that the rent received may include reasonable expenses and a charge for any attendant business risk, in addition to the costs of the leased thing which necessarily are incurred in procuring, preparing, or maintaining the thing for lease during the state of emergency.

Proposed law provides that for the purposes of proposed law, "rent" includes nonrefundable fees, charges, and deposits.

Proposed law provides that the provisions of proposed law are subject only to criminal penalties as provided in R.S. 29:734, which include a fine of not more than \$500 or imprisonment of not more than six months, or both.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 29:732(E))