

SENATE BILL 542

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CF 3lr2896

By: **The President (By Request – Office of the Attorney General)**

Introduced and read first time: February 3, 2023

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety – Emergency Management – Consumer Protections Against Price**
3 **Gouging**

4 FOR the purpose of prohibiting a person from selling an essential good or service for more
5 than a certain increase in price during and for a certain time after a certain state of
6 emergency; requiring the Secretary of State to establish an electronic notification
7 system by which a person may register to receive certain information; and generally
8 relating to emergency management and consumer protections.

9 BY adding to
10 Article – Public Safety
11 Section 14–1301 through 14–1304 to be under the new subtitle “Subtitle 13.
12 Essential Goods and Services”
13 Annotated Code of Maryland
14 (2022 Replacement Volume)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Public Safety**

18 **SUBTITLE 13. ESSENTIAL GOODS AND SERVICES.**

19 **14–1301.**

20 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
21 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(B) UNLESS OTHERWISE PROVIDED BY THE GOVERNOR IN A DECLARATION OF STATE OF EMERGENCY OR BY EXECUTIVE ORDER, “ESSENTIAL GOODS AND SERVICES” INCLUDES:

(1) FOOD;

(2) FUEL;

(3) WATER AND ICE;

(4) MEDICINE;

(5) MEDICAL SUPPLIES AND EQUIPMENT;

(6) CLEANING PRODUCTS;

(7) BUILDING SUPPLIES AND EQUIPMENT;

(8) ENERGY SOURCES;

(9) STORAGE SPACE;

(10) COMMUNICATION AND INTERNET SERVICES;

(11) ACCOMMODATIONS AND LODGING; AND

(12) ANY OTHER GOODS OR SERVICES DESIGNATED AS ESSENTIAL BY THE GOVERNOR.

(C) “PRICE” MEANS:

(1) FOR ESSENTIAL SERVICES, RETAIL PRICE; OR

(2) FOR ESSENTIAL GOODS, RETAIL OR WHOLESALE PRICE.

(D) “REPLACEMENT COSTS” MEANS:

(1) ACQUISITION COSTS;

(2) COSTS THAT ARE A RESULT OF A CONTRACT IN WHICH THE FORMULA REFERENCES PUBLISHED MARKET PRICES; OR

(3) THE ACTUAL ANTICIPATED COSTS OF REPLACING AN ESSENTIAL GOOD OR SERVICE OFFERED FOR SALE, BASED ON DOCUMENTED INFORMATION AVAILABLE AT THE TIME OF THE INCREASE IN PRICE.

(E) "STATE OF EMERGENCY" MEANS A STATE OF EMERGENCY DECLARED BY THE GOVERNOR UNDER § 14-107 OF THIS TITLE.

14-1302.

(A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, DURING A STATE OF EMERGENCY, IN THE GEOGRAPHIC AREA COVERED BY THE STATE OF EMERGENCY DECLARATION, A PERSON MAY NOT SELL OR OFFER TO SELL ESSENTIAL GOODS OR SERVICES FOR A PRICE OF 10% OR MORE ABOVE THE HIGHEST PRICE AT WHICH THE PERSON MADE ACTUAL SALES OR RENTALS OF THOSE ESSENTIAL GOODS OR SERVICES BETWEEN:

(1) 60 DAYS BEFORE THE STATE OF EMERGENCY DECLARATION; AND

(2) 4 DAYS BEFORE THE STATE OF EMERGENCY.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, DURING A STATE OF EMERGENCY AND FOR THE 90 DAYS FOLLOWING THE END OF THE STATE OF EMERGENCY, A PERSON MAY NOT SELL OR OFFER TO SELL REPAIR OR RECONSTRUCTION SERVICES USED FOR EMERGENCY CLEANUP FOR A PRICE OF 10% OR MORE ABOVE THE AVERAGE PRICE CHARGED BY THE PERSON FOR THOSE SERVICES DURING THE 30 DAYS BEFORE THE STATE OF EMERGENCY.

(C) A PERSON MAY INCREASE A PRICE BY 10% OR MORE FOR GOODS AND SERVICES IF THE PERSON CAN PROVE THAT:

(1) THE PRICE INCREASE IS DIRECTLY ATTRIBUTABLE TO ADDITIONAL COSTS IMPOSED ON THE PERSON BY THE SUPPLIER OF GOODS, INCLUDING REPLACEMENT COSTS, COSTS OF CREDIT, AND CREDIT CARD PROCESSING COSTS; OR

(2) THE PRICE INCREASE IS DIRECTLY ATTRIBUTABLE TO ADDITIONAL COSTS FOR LABOR OR MATERIALS USED TO PROVIDE THE SERVICE OR PRODUCE THE GOODS, INCLUDING COSTS TO REPAIR ANY DAMAGE RELATING TO THE STATE OF EMERGENCY.

(D) AT LEAST 20 DAYS BEFORE AN ACTION IS FILED UNDER § 14-1303 OF THIS SUBTITLE, THE OFFICE OF THE ATTORNEY GENERAL SHALL PROVIDE A PERSON WHOSE ACTIONS MAY BE IN VIOLATION OF THIS SECTION NOTICE OF THE

1 GENERAL RELIEF SOUGHT BY THE OFFICE OF THE ATTORNEY GENERAL TO GIVE
2 THE PERSON AN OPPORTUNITY TO PRESENT EVIDENCE THAT THE PRICE INCREASE
3 WAS IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

4 14-1303.

5 (A) A SALE OR OFFER FOR SALE OF ESSENTIAL GOODS AND SERVICES IN
6 VIOLATION OF § 14-1302 OF THIS SUBTITLE IS:

7 (1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE, AS
8 DEFINED UNDER TITLE 13 OF THE COMMERCIAL LAW ARTICLE; AND

9 (2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS OF
10 TITLE 13 OF THE COMMERCIAL LAW ARTICLE, EXCEPT FOR THE CRIMINAL
11 PENALTIES IN § 13-411 OF THE COMMERCIAL LAW ARTICLE.

12 (B) A PERSON WHO SUFFERS INJURY OR LOSS AS A RESULT OF A VIOLATION
13 OF § 14-1302 OF THIS SUBTITLE MAY BRING AN ACTION UNDER §
14 13-408 OF THE COMMERCIAL LAW ARTICLE REGARDLESS OF WHETHER THE
15 PERSON IS A CONSUMER, AS DEFINED IN § 13-101 OF THE COMMERCIAL LAW
16 ARTICLE.

17 14-1304.

18 THE SECRETARY OF STATE SHALL ESTABLISH A SYSTEM BY WHICH A PERSON
19 MAY REGISTER TO RECEIVE ELECTRONIC NOTIFICATIONS STATING:

20 (1) THAT A STATE OF EMERGENCY HAS BEEN DECLARED AND AN
21 EXECUTIVE ORDER HAS BEEN ISSUED;

22 (2) THAT THE PROVISIONS OF THIS SUBTITLE ARE IN EFFECT; AND

23 (3) THE CATEGORIES OF ESSENTIAL GOODS AND SERVICES OR
24 INDIVIDUAL ESSENTIAL GOODS AND SERVICES THAT ARE COVERED BY THE
25 EXECUTIVE ORDER.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2023.