

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1930

SPONSOR: Regulated Industries Committee and Senator Carlton

SUBJECT: Price Gouging/Emergency/Evacuation

DATE: March 21, 2000 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wimsett</u>	<u>Guthrie</u>	<u>RI</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>AG</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

The bill strengthens provisions relating to price gouging during emergencies and gives the Department of Business and Professional Regulation clearer enforcement authority. In particular, it clarifies that public lodging and building materials are commodities covered by s. 501.160, F.S.

This bill amends the following section of the Florida Statutes: 501.160.

## II. Present Situation:

Section 501.160, F.S., prohibits persons from renting or selling any essential commodity at an unconscionable price (“price gouging”) within an area in which a state of emergency has been declared. It is unlawful to impose unconscionable prices for the rental or lease of any dwelling unit during a declared state of emergency. A price is “unconscionable” if the amount charged represents a “gross disparity” between the price of the rental and the average price of that rental during the 30 days immediately prior to the declaration of a state of emergency.

Section 501.164, F.S., authorizes the court to impose a civil penalty of not more than \$1,000 per violation, not to exceed \$25,000 for any 24 hour period, against any person who violates 501.160, F.S.

The Division of Hotels and Restaurants in the Florida Department of Business and Professional Regulation regulates public lodging establishments. Division representatives report that they handled over 450 complaints against hotels and motels for price gouging during Hurricane Floyd. Approximately 440 of these complaints have been resolved to date by the Division. Division representatives recommend that clearer enforcement authority would discourage price gouging and expedite prosecution when price gouging occurs.

**III. Effect of Proposed Changes:**

The bill amends s. 501.160, F.S., to add public lodging and building materials to the definition of commodity as used in this section. This will clarify applicability of the price gouging law to public lodging establishments. The substitution of building materials for lumber will provide broader consumer protection in emergencies. The bill specifies that the price gouging provisions also will be triggered during ordered evacuations. The bill also provides that the Department of Business and Professional Regulation may enforce the provisions of s. 501.160, F.S., that apply to any business or profession within its jurisdiction.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The bill clarifies that current laws relating to price regulation of commodities during a declared state of emergency or government ordered evacuation apply to public lodging establishments and building materials.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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