

1 **PRICE CONTROLS DURING EMERGENCIES**

2 **ACT**

3 2007 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: LaWanna Lou Shurtliff**

6 Senate Sponsor: _____

7

8 **LONG TITLE**

9 **General Description:**

10 This bill allows invocation of price controls during an emergency declared by the chief
11 executive officer of a political subdivision.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ allows invocation of price controls during an emergency declared by the chief
15 executive officer of a political subdivision; and
16 ▶ makes technical changes.

17 **Monies Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 **AMENDS:**

23 **13-41-102**, as last amended by Chapter 153, Laws of Utah 2006

24 **13-41-201**, as enacted by Chapter 306, Laws of Utah 2005

25

26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section **13-41-102** is amended to read:



13-41-102. Definitions.

For purposes of this chapter:

(1) "Consumer" means a person who acquires a good or service for consumption.

(2) "Division" means the Division of Consumer Protection.

(3) (a) "Emergency territory" means the geographical area:

(i) for which there has been a state of emergency declared; and

(ii) that is directly affected by the events giving rise to a state of emergency.

(b) "Emergency territory" does not include a geographical area that is affected by the events giving rise to a state of emergency only by economic market forces.

(4) "Excessive price" means a price for a good or service that exceeds by more than 10% the average price charged by that person for that good or service in the 30-day period immediately preceding the day on which the state of emergency is declared.

(5) "Good" means any personal property displayed, held, or offered for sale by a merchant that is necessary for consumption or use as a direct result of events giving rise to a state of emergency.

(6) "Retail" means the level of distribution where a good or service is typically sold directly, or otherwise provided, to a member of the public who is an end-user and does not resell the good or service.

(7) "Service" means any activity that is performed in whole or in part for the purpose of financial gain including, but not limited to, personal service, professional service, rental, leasing, or licensing for use that is necessary for consumption or use as a direct result of events giving rise to a state of emergency.

(8) "State of emergency" means a declaration of:

(a) an emergency or major disaster by the President of the United States of America;

[or]

(b) a state of emergency by the governor under Section 63-5a-5[:]; or

(c) a local emergency by the chief executive officer of a political subdivision under Section 63-5a-6.

Section 2. Section **13-41-201** is amended to read:

13-41-201. Excessive price prohibited.

(1) Except as provided in Subsection (2), if a state of emergency exists, a person may

not charge a consumer an excessive price for goods or services sold or provided at retail:

(a) (i) during the time period for which a state of emergency declared by the governor or a local chief executive officer exists; or

(ii) for 30 days after the day on which the state of emergency begins, if declared by the President of the United States; and

(b) within the emergency territory.

(2) A person may charge an excessive price if:

(a) that person's cost of obtaining the good or providing the service exceeds the average cost to the person of obtaining the good or providing the service in the 30-day period immediately preceding the day on which the state of emergency is declared; and

(b) the price charged for the good or service does not exceed the sum of:

(i) 10% above the total cost to that person of obtaining the good or providing the service; and

(ii) the person's customary markup.

(3) Upon request of the division, a person allegedly charging an excessive price under Subsection (2) shall provide documentation to the division that the person is in compliance with this chapter.

(4) If a good or service has not been sold by a person during the 30-day period immediately preceding the day on which the state of emergency is declared, a price is not excessive if it does not exceed 30% above the person's total cost of obtaining the good or providing the service.

Legislative Review Note

as of 11-27-06 10:32 AM

Office of Legislative Research and General Counsel

H.B. 73 - Price Controls During Emergencies Act

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

1/19/2007, 1:30:19 PM, Lead Analyst: Wardrop, T.

Office of the Legislative Fiscal Analyst