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*TESTIMONY OF
ATTORNEY GENERAL GEORGE JEPSEN
BEFORE THE GENERAL LAW COMMITTEE
MARCH 8, 2011*

I appreciate the opportunity to speak in favor of SB 1089, *An Act Prohibiting Price Gouging During Severe Weather Events and Making Minor and Technical Revisions to the Uniform Administrative Procedure Act and Department of Consumer Protection Statutes.* I strongly support this proposal and urge the committee to report favorably upon it.

As you all are aware, it has been a long, hard winter. High energy bills were bad enough for consumers. But unusually heavy snowfalls created a burden that was too much for some consumers -- and their homes and businesses -- to bear. Roofs collapsed and now basements are flooding. As broadcast and published reports showed, the prices consumers were charged for some of the essential services associated with these events, such as clearing heavy snow from rooftops, varied widely.

Legitimate businesses have a right to make a profit for their work and we all know that when demand for services go up, so does the price. But unscrupulous businesses should not be permitted to exploit consumers by charging unconscionably high prices for goods and services that are essential to the public health, safety and welfare.

This bill will help protect consumers from such business practices. Basically, it says that during a severe weather event, no one in the distribution chain for consumer goods and services that are essential to the public health, safety and welfare shall sell such goods and services at an unconscionably excessive price. The question of whether a price is unconscionably excessive will be determined by the courts on a case by case basis by resorting to a number of factors set out in the proposed bill, including: a comparison of the prices charged for the same goods and services before a severe weather event and after its onset; an examination of whether the same goods and services are available at much lower prices from other sellers in the same area. I understand that Senator Looney will be proposing some changes to the bill, which are based on New York's price gouging statute. I support the changes Senator Looney will be proposing.

Under ordinary circumstances, consumers have a responsibility to use common sense: to compare prices for goods and services and whenever possible to get written estimates for work that needs to be done. As we have learned during the past few months, however, it becomes far more difficult to exercise good judgment when the goods and services in question are in acute need and are vital to the public safety and welfare. This bill will give my office an important tool to deter unscrupulous businesses from charging unconscionably high prices during such times.

Thank you once again for your efforts. I look forward to working with the committee on this important matter.