



Office of The Attorney General
State of Connecticut

TESTIMONY OF
ATTORNEY GENERAL GEORGE JEPSEN
BEFORE THE GENERAL LAW COMMITTEE
FEBRUARY 26, 2013

I appreciate the opportunity to support SB 320, *An Act Prohibiting Price Gouging During Severe Weather Events*. I strongly support this proposal and urge the committee to report favorably upon it. As you all are aware, Connecticut residents have endured several severe weather events over the past several years. High energy bills are bad enough for consumers. But unusually severe weather events, including tropical storms, hurricanes, and freakishly heavy snowfalls created burdens that were too much for some consumers -- and their homes and businesses -- to bear. There were massive and prolonged power outages, downed trees and power lines, collapsed roofs, flooded basements, spoiled food and much, much more. As broadcast and published reports showed, the prices consumers were charged for some of the essential goods and services associated with these events, such as clearing heavy snow from rooftops, staying in hotels, buying generators, and having trees removed 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 during public emergencies 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 and an examination of whether the same goods and services are available at much lower prices from other sellers in the same area.

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 year, 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.