

119TH CONGRESS
1ST SESSION

H. R. 2427

To prohibit price gouging as an unfair and deceptive act or practice during a major disaster or emergency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2025

Ms. FRIEDMAN (for herself and Mr. SHERMAN) introduced the following bill;
which was referred to the Committee on Energy and Commerce

A BILL

To prohibit price gouging as an unfair and deceptive act or practice during a major disaster or emergency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Disaster Price
5 Gouging Act”.

6 **SEC. 2. PROHIBITION ON PRICE GOUGING.**

7 (a) PROHIBITION.—

8 (1) IN GENERAL.—Except as provided in para-
9 graph (2), during the period described below after
10 the date on which the President declares a major

1 disaster or emergency under section 401 or 501 of
2 the Robert T. Stafford Disaster Relief and Emer-
3 gency Assistance Act (42 U.S.C. 5170; 5191) and
4 within the area in which the disaster or emergency
5 is declared a person—

6 (A) may not increase the price as of the
7 day before such date by more than 10 per-
8 cent—

9 (i) with respect to essential consumer
10 goods and services, hotel lodging, and resi-
11 dential rental properties, for a period of 30
12 days; and

13 (ii) with respect to repair or recon-
14 struction services, for a period of 180 days;
15 and

16 (B) may not charge a price for essential
17 consumer goods and services, hotel lodging, res-
18 idential rental property, or reconstruction serv-
19 ices that is more than 50 percent greater than
20 the cost to the person for 30 days after such
21 date if the person did not charge that price be-
22 fore such date.

23 (2) EXCEPTION.—The prohibition described in
24 paragraph (1) does not apply as follows:

25 (A) If the increased price—

1 (i) is—

2 (I) directly attributable to addi-
3 tional cost paid by the person to a
4 supplier of the goods or for labor or
5 materials used to provide services; and

6 (II) is not more than 10 percent
7 greater than the total of the cost to
8 the person plus the markup custom-
9 arily applied by that seller for that
10 good or service in the usual course of
11 business immediately prior to the
12 onset of the major disaster or emer-
13 gency; or

14 (ii) is directly attributable to tariffs or
15 national trade policies.

16 (B) For a hotel or motel rate, if the in-
17 creased price is attributable to seasonable ad-
18 justments that are regularly scheduled.

19 (C) For a rental rate, if the increased price
20 is directly attributable to additional costs for
21 repairs or additions beyond normal maintenance
22 that were amortized over the rental term that
23 caused the rent to be increased greater than 10
24 percent or that an increase was contractually

1 agreed to by the tenant prior to the disaster or
2 emergency.

3 (b) ENFORCEMENT BY FEDERAL TRADE COMMIS-
4 SION.—

5 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
6 TICES.—A violation of subsection (a) or a regulation
7 promulgated under such subsection shall be treated
8 as a violation of a regulation under section
9 18(a)(1)(B) of the Federal Trade Commission Act
10 (15 U.S.C. 57a(a)(1)(B)) regarding unfair or decep-
11 tive acts or practices.

12 (2) POWERS OF COMMISSION.—The Federal
13 Trade Commission shall enforce subsection (a) and
14 any regulation promulgated under such subsection in
15 the same manner, by the same means, and with the
16 same jurisdiction, powers, and duties as though all
17 applicable terms and provisions of the Federal Trade
18 Commission Act (15 U.S.C. 41 et seq.) were incor-
19 porated into and made a part of this Act. Any per-
20 son who violates such subsection or a regulation pro-
21 mulgated under such subsection shall be subject to
22 the penalties described in subsection (e) and entitled
23 to the privileges and immunities provided in the
24 Federal Trade Commission Act.

25 (c) ACTIONS BY STATES.—

1 (1) IN GENERAL.—In any case in which the at-
2 torney general of a State, or an official or agency of
3 a State, has reason to believe that an interest of the
4 residents of such State has been or is threatened or
5 adversely affected by an act or practice in violation
6 of subsection (a) or a regulation promulgated under
7 such subsection, the State, as *parens patriae*, may
8 bring a civil action on behalf of the residents of the
9 State in an appropriate State court or an appro-
10 priate district court of the United States to—

11 (A) enjoin such act or practice;

12 (B) enforce compliance with such sub-
13 section or such regulation;

14 (C) obtain damages, restitution, or other
15 compensation on behalf of residents of the
16 State; or

17 (D) obtain such other legal and equitable
18 relief as the court may consider to be appro-
19 priate.

20 (2) NOTICE.—Before filing an action under this
21 subsection, the attorney general, official, or agency
22 of the State involved shall provide to the Commis-
23 sion a written notice of such action and a copy of
24 the complaint for such action. If the attorney gen-
25 eral, official, or agency determines that it is not fea-

1 sible to provide the notice described in this para-
2 graph before the filing of the action, the attorney
3 general, official, or agency shall provide written no-
4 tice of the action and a copy of the complaint to the
5 Commission immediately upon the filing of the ac-
6 tion.

7 (3) AUTHORITY OF FEDERAL TRADE COMMIS-
8 SION.—

9 (A) IN GENERAL.—On receiving notice
10 under paragraph (2) of an action under this
11 subsection, the Commission shall have the
12 right—

13 (i) to intervene in the action;

14 (ii) upon so intervening, to be heard
15 on all matters arising therein; and

16 (iii) to file petitions for appeal.

17 (B) LIMITATION ON STATE ACTION WHILE
18 FEDERAL ACTION IS PENDING.—If the Commis-
19 sion or the Attorney General of the United
20 States has instituted a civil action for violation
21 of subsection (a) or a regulation promulgated
22 under such subsection (referred to in this sub-
23 paragraph as the “Federal action”), no State
24 attorney general, official, or agency may bring
25 an action under this subsection during the

pendency of the Federal action against any defendant named in the complaint in the Federal action for any violation of such subsection or regulation alleged in such complaint.

(4) RULE OF CONSTRUCTION.—For purposes of bringing a civil action under this subsection, nothing in this Act shall be construed to prevent an attorney general, official, or agency of a State from exercising the powers conferred on the attorney general, official, or agency by the laws of such State to conduct investigations, administer oaths and affirmations, or compel the attendance of witnesses or the production of documentary and other evidence.

(d) PRIVATE RIGHT OF ACTION.—

(1) IN GENERAL.—A person injured by an act or practice in violation of subsection (a) or a regulation promulgated under such subsection may bring in an appropriate State court or an appropriate district court of the United States—

(A) an action to enjoin the violation;

(B) an action to recover damages for actual monetary loss from the violation; or

(C) both such actions.

(2) WILLFUL VIOLATIONS.—If the court finds that the defendant acted willfully in committing a

1 violation described in paragraph (1), the court may,
2 in its discretion, increase the amount of the award
3 to an amount equal to not more than 3 times the
4 amount available under paragraph (1)(B).

5 (3) COSTS AND ATTORNEY'S FEES.—The court
6 shall award to a prevailing plaintiff in an action
7 under this subsection the costs of such action and
8 reasonable attorney's fees, as determined by the
9 court.

10 (4) LIMITATION.—An action may be com-
11 menced under this subsection not later than 2 years
12 after the date on which the person first discovered
13 or had a reasonable opportunity to discover the vio-
14 lation.

15 (5) NONEXCLUSIVE REMEDY.—The remedy pro-
16 vided by this subsection shall be in addition to any
17 other remedies available to the person.

18 (e) AMOUNT OF CIVIL PENALTIES.—

19 (1) IN GENERAL.—For purposes of the pen-
20 alties described in subsection (b), the amount deter-
21 mined under this paragraph is the amount cal-
22 culated by multiplying the number of violations of
23 subsection (a) by an amount not greater than
24 \$25,000. Each violation shall be treated as a sepa-
25 rate violation.

1 (2) MAXIMUM TOTAL LIABILITY.—Notwith-
2 standing the number of actions which may be
3 brought against a person under subsection (b), the
4 total amount of civil penalties assessed against such
5 person for all violations of subsection (a) and the
6 regulations promulgated under such subsection re-
7 sulting from the same or related acts or practices
8 may not exceed \$25,000.

9 (3) ADJUSTMENT FOR INFLATION.—Beginning
10 on the date that the Consumer Price Index is first
11 published by the Bureau of Labor Statistics that is
12 at least 1 year after the date of the enactment of
13 this Act, and each year thereafter, the amount speci-
14 fied in paragraphs (1) and (2) shall be increased by
15 the percentage increase, if any, in the Consumer
16 Price Index published on such date from the Con-
17 sumer Price Index published the previous year.

18 (4) FUNDING FOR DISASTER ZONES.—Any
19 amount recovered under subsection (b) shall be de-
20 posited into a fund to assist communities located in
21 an area affected by a major disaster or emergency
22 declared by the President under section 401 or 501
23 of the Robert T. Stafford Disaster Relief and Emer-
24 gency Assistance Act (42 U.S.C. 5170; 5191).

25 (f) DEFINITIONS.—In this section:

1 (1) COMMISSION.—The term “Commission”
2 means the Federal Trade Commission.

3 (2) ESSENTIAL CONSUMER GOODS AND SERV-
4 ICES.—The term “essential consumer goods and
5 services” means goods and services that are nec-
6 essary for survival and recovery during and after a
7 major disaster or emergency and include any of the
8 following:

9 (A) Food and drink, including food and
10 drink for animals.

11 (B) Emergency supplies such as water,
12 generators, flashlights, radios, batteries, can-
13 dles, blankets, soap, diapers, temporary shel-
14 ters, tape, toiletries, plywood, nails, and ham-
15 mers.

16 (C) Medical supplies such as prescription
17 and non prescription medications, bandages,
18 gauze, isopropyl alcohol, and antibacterial prod-
19 ucts.

20 (D) Home heating oil.

21 (E) Building and construction materials
22 such as lumber, construction tools, and win-
23 dows.

24 (F) Transportation.

25 (G) Freight.

1 (H) Storage services.

2 (I) Gasoline and other motor fuels.

3 (g) RELATION TO STATE LAW.—Nothing in this Act
4 may be construed to preempt any provision of State law
5 that does not conflict with this Act.

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