

119TH CONGRESS  
1ST SESSION

# H. R. 4720

To amend the Defense Production Act of 1950 to provide for stricter prohibitions on price gouging of certain materials, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2025

Mr. RILEY of New York introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Defense Production Act of 1950 to provide for stricter prohibitions on price gouging of certain materials, 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 “Cracking Down on  
5       Price Gouging Act”.

6       **SEC. 2. PROHIBITION ON PRICE GOUGING OF CERTAIN MA-**  
7       **TERIALS.**

8       The Defense Production Act of 1950 (50 U.S.C.  
9       4512) is amended—

10               (1) in section 102—

1 (A) by striking “In” and inserting the fol-  
2 lowing:

3 “(a) PROHIBITION ON HOARDING AND PRICE  
4 GOUGING OF CERTAIN MATERIALS OR GOODS.—In”;

5 (B) by inserting “and price gouging” after  
6 “prevent hoarding”;

7 (C) by striking “accumulate (1)” and in-  
8 serting “(1) accumulate”;

9 (D) by striking “for the purpose of resale  
10 at prices in excess of prevailing market prices”  
11 and inserting “sell or offer to sell at prices that  
12 grossly exceed prevailing market prices for the  
13 same or similar materials or critical goods in  
14 the trade area or at an unfairly excessive  
15 price”;

16 (E) by striking “accumulation.” and in-  
17 serting “accumulation, or any critical good  
18 under an acute shortage.”;

19 (F) by inserting “scarce” after “designa-  
20 tion of”; and

21 (G) by adding at the end the following:

22 “(b) UNFAIRLY EXCESSIVE PRICE.—

23 “(1) IN GENERAL.—A price is an unfairly ex-  
24 cessive price if there is a gross disparity in the price  
25 of a material or critical good at the time of the

1 transaction and the price of the material or critical  
2 good immediately prior to—

3 “(A) the effective date of the President  
4 designating the material as a scarce material;  
5 or

6 “(B) the date on which an acute shortage  
7 of the critical good begins.

8 “(2) GROSS DISPARITY.—

9 “(A) PRESUMPTIVE.—A presumptive gross  
10 disparity includes a 10 percent increase of price  
11 relative to—

12 “(i) the effective date of the President  
13 designating the material as a scarce mate-  
14 rial; or

15 “(ii) the date on which an acute  
16 shortage of the critical good begins.

17 “(B) OTHER PRICE INCREASE.—Nothing  
18 in this subsection shall preclude a price increase  
19 that is less than a 10 percent increase of the  
20 price of a material or critical good relative to  
21 the price on the effective date of the President  
22 designating such material as a scarce material,  
23 or the date on which an acute shortage begins,  
24 from constituting a gross disparity.

1           “(3) EXCEPTION.—Notwithstanding paragraphs  
2           (1) and (2), a price is not an unfairly excessive price  
3           if it is the result of—

4                   “(A) a legitimate business need of the sell-  
5                   er; or

6                   “(B) additional costs outside the control of  
7                   the seller.

8           “(c) DEFINITIONS.—In this section:

9                   “(1) ACUTE SHORTAGE.—The term ‘acute  
10                  shortage’ means any negative supply impact that is  
11                  caused by—

12                          “(A) a disease;

13                          “(B) a pathogen;

14                          “(C) a natural disaster;

15                          “(D) a military conflict;

16                          “(E) terrorism;

17                          “(F) supply-chain disruptions;

18                          “(G) extreme industry consolidation; or

19                          “(H) any other similar exigent constraint.

20                   “(2) CRITICAL GOOD.—The term ‘critical good’  
21                  means—

22                          “(A) any consumer food item, good, or  
23                          service that is used, bought, or rendered pri-  
24                          marily for personal, family, or household pur-  
25                          poses;

1                   “(B) any essential medical or emergency  
2                   supply or service;

3                   “(C) any energy resource, including—

4                   “(i) fuel;

5                   “(ii) electricity; or

6                   “(iii) home heating oil; or

7                   “(D) any other essential good or service  
8                   used to promote the health, safety, or welfare of  
9                   the public.”; and

10                  (2) in section 103—

11                  (A) by striking “Any” and inserting the  
12                  following:

13                  “(a) IN GENERAL.—Except as described in sub-  
14                  section (b), any”; and

15                  (B) by adding at the end the following:

16                  “(b) PENALTY FOR VIOLATION OF SECTION 102.—

17                  Any person who willfully performs any act prohibited by  
18                  the provisions of section 102 or any rule, regulation, or  
19                  order thereunder, shall, upon conviction, be fined the  
20                  greater of \$20,000 or 300 percent of the revenue gen-  
21                  erated in violation of such section.”.

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