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## Section-by-Section Summary of the **COVID-19 Price Gouging Prevention Act** Rep. Jan Schakowsky, Chair, Subcommittee on Consumer Protection and Commerce, Committee on Energy and Commerce

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### **Section 1. Short Title.**

Section 1 provides that the short title of the Act is the “COVID-19 Price Gouging Prevention Act.”

### **Section 2. Prevention of Price Gouging.**

Section 2(a) prohibits the sale of consumer goods and services at an unconscionably excessive price during the public health emergency declared as a result of the confirmed cases of 2019 novel coronavirus (COVID-19).

Section 2(b) provides factors for consideration in determining whether price gouging has occurred. Those factors include: (1) whether the price grossly exceeds the average price that the same good or service was sold for the 90-days before January 31, 2019, or during the same 90-day period of the previous year; (2) whether the price grossly exceeds the average price of the same good or service sold by other sellers in the same area during the same period; and (3) whether the price reasonably reflects additional costs to the seller or the profitability of forgone sales.

Section 2(c)(1) provides for enforcement by the FTC and establishes that a violation of subsection (a) shall be treated as an unfair or deceptive act or practice in violation of a regulation under section 18 of the FTC Act, which allows for civil penalties.

Section 2(c)(2) preserves the authority of the FTC under any other provision of law.

Section 2(c)(3) provides for enforcement by the attorney general of a state, or a designated official or agency of a state, for violations of subsection (a).

Section (2)(c)(4) preserves all State and local laws.

Section 2(d) contains the definitions that apply to this Act, including the term “consumer good or service,” which means a good or service sold primarily for personal or household purposes and includes, but is not limited to, food, beverages, water, ice, chemicals, personal hygiene products, personal protective equipment, respirators, medical supplies, cleaning supplies, sanitizers, healthcare services, delivery services, or cleaning services.