File #:	Res 1654-2013	**Version:**	*	**Name:**	NYS General Business Law to classify price gouging as a class A misdemeanor.
Type:	Resolution			**Status:**	Filed
				In control:	Committee on Consumer Affairs
On agenda:	2/6/2013				
Enactment date:				**Enactment #:**	
Title:	Resolution calling upon the New York State Legislature to amend the New York State General Business Law to classify price gouging as a class A misdemeanor.				
Sponsors:					
Indexes:					
Attachments:					

Date	Ver.	Action By	Action	Result
2/6/2013	*	City Council	Introduced by Council	
2/6/2013	*	City Council	Referred to Comm by Council	
12/31/2013	*	City Council	Filed (End of Session)	

Res. No. 1654

Resolution calling upon the New York State Legislature to amend the New York State General Business Law to classify price gouging as a class A misdemeanor.

By Council Members Vallone, Fidler, Gentile, Jackson, King, Koo, Mendez, Nelson, Rose, Wills, Halloran and Ulrich

Whereas, New York State General Business Law prohibits businesses in the state from capitalizing on abnormal disruptions to the market by charging "unconscionably excessive" prices for consumer goods; and

Whereas, New York State General Business Law defines "abnormal disruption of the market" to be "any change in the market, whether actual or imminently threatened, resulting from the stress of weather, convulsion of nature, failure or shortage of electrical power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the governor"; and

Whereas, State law delegates the task of determining whether a price is unconscionably excessive to the court, which can impose a maximum civil penalty of $25,000 on offenders and order them to pay restitution to

consumers; and

Whereas, On November 5, 2012, the Office of the New York State Attorney General reported that it had received hundreds of complaints about price gouging from residents of New York City, the Hudson Valley and Long Island in connection with Superstorm Sandy; and

Whereas, According to the Attorney General's Office, the majority of the complaints related to gasoline prices, and also included complaints about the price of generators, hotel rooms, food and water; and

Whereas, By the end of November, the Attorney General had announced his intent to bring enforcement action against twenty-five gas stations in New York State, nearly half of which are located in Brooklyn, Queens, the Bronx and Staten Island; and

Whereas, In one case cited by the Attorney General, a Bronx resident who waited in line for gasoline for over an hour was told five gallons of gas cost $50, an incredibly high markup relative to the $3.95 being charged per gallon at nearby gas stations; and

Whereas, In light of the fact that so many gasoline retailers were found to be flouting New York State's price gouging law, it is clear that the current penalties are inadequate; and

Whereas, Classifying price gouging as a class A misdemeanor would elevate the punishment for guilty parties to include up to one year in prison and a fine of $1,000; and

Whereas, The State of New York has a responsibility to protect its residents from unscrupulous and exploitative business practices; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State legislature to amend the New York State General Business Law to classify price gouging as a class A misdemeanor.

DMB
LS# 4249
1/24/13