

116TH CONGRESS  
2D SESSION

# H. R. 6264

To prohibit price gouging during a state of emergency declaration, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2020

Mr. SMITH of Missouri (for himself and Mr. GOTTHEIMER) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To prohibit price gouging during a state of emergency declaration, 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 “Preventing Pandemic  
5 Profiting Act”.

6 **SEC. 2. PROHIBITION.**

7 (a) IN GENERAL.—Chapter 11 of title 18, United  
8 States Code, is amended by inserting after section 220 the  
9 following:

1 **“§ 221. Price gouging during a state of emergency**  
2 **declaration**

3 “(a) IN GENERAL.—Whoever, in any location that  
4 has received a state of emergency declaration, knowingly  
5 sells or offers for sale, during the effective period of such  
6 declaration, any goods or services identified by the Sec-  
7 retary of Health and Human Services as vital and nec-  
8 essary for the health, safety, and welfare of consumers,  
9 including medical treatment, at an unconscionably exces-  
10 sive price, shall be fined not more than \$1,000, imprisoned  
11 not more than 5 years, or both.

12 “(b) DEFINITIONS.—In this section:

13 “(1) STATE OF EMERGENCY DECLARATION.—

14 The term ‘state of emergency declaration’ means—

15 “(A) a public health emergency declaration  
16 under section 319 of the Public Health Service  
17 Act;

18 “(B) a major disaster declaration under  
19 section 401 of the Robert T. Stafford Disaster  
20 Relief and Emergency Assistance Act; or

21 “(C) an emergency declaration under sec-  
22 tion 501 of the Robert T. Stafford Disaster Re-  
23 lief and Emergency Assistance Act.

24 “(2) UNCONSCIONABLY EXCESSIVE PRICE.—

25 The term ‘unconscionably excessive price’—

1           “(A) means a price higher than the aver-  
2           age price at which goods or services were sold  
3           or offered for sale during the 30-day period  
4           prior to the date on which a state of emergency  
5           declaration is made; and

6           “(B) does not include—

7                   “(i) an increased price that reflects  
8                   the average profit margin during the 30-  
9                   day period prior to the date on which a  
10                  state of emergency declaration is made,  
11                  plus an increase in the cost of services or  
12                  the cost of acquiring, producing, selling,  
13                  transporting, and delivering goods; or

14                   “(ii) any price agreed to by a seller  
15                  and consumer prior to the date on which  
16                  a state of emergency declaration is made.”.

17           (b) CLERICAL AMENDMENT.—The table of sections  
18           for chapter 11 of title 18, United States Code, is amended  
19           by inserting after the item related to section 220 the fol-  
20           lowing:

          “221. Price gouging during a state of emergency declaration.”.

21           (c) APPLICATION.—This Act and the amendments  
22           made by this Act shall apply with respect to conduct oc-  
23           curring on or after the date of enactment of this Act.

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