



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

## Legislators Rally To Crack Down On Price Gouging After New York Declares "State of Emergency" Due To COVID-19

BRAD HOYLMAN-SIGAL March 11, 2020

| ISSUE: **SD 27, CONSUMER PROTECTION, COVID-19, PRICE GOUGING**

ALBANY, N.Y.—Days after the Governor declared a State of Emergency in New York due to the spread of COVID-19, state legislators and senior and consumer advocates rallied to build support for new legislation from Senator Brad Hoylman and Assembly Member Nily Rozic (S.7932) that protects consumers from price gouging of consumer medical supplies during a public health emergency. Senator Hoylman and Assembly Member Rozic were joined by Senator Tim Kennedy, the bill's Prime Co-Sponsor, Senator Kevin Thomas, Chair of the Senate Consumer Protection Committee, and multiple Senate colleagues at the press conference.

**Senator Brad Hoylman, Senate Sponsor, said:** "Charging \$79.99 for a single bottle of hand sanitizer is outrageous. But exploiting New Yorkers' concern about keeping themselves and their family healthy during the coronavirus outbreak? That's simply unconscionable. We need to stop virus profiteers in their tracks by sending a strong message with this new bill that makes it clear that price gouging medical supplies during a public health emergency won't be tolerated. Every New Yorker – no matter their income – deserves the same access to consumer medical supplies that prevent the spread of illnesses like COVID-19. That's why I'm proud to be sponsoring legislation with my colleagues Senator Kennedy and Assembly

Member Rozic to crack down on price gouging during public health emergencies, and I look forward to working with Consumer Protection Committee Chairman Kevin Thomas and the Senate Democratic Conference to advance this bill.”

**Assemblywoman Nily Rozic, Assembly Sponsor, said:** “With new cases of COVID-19 continually arising in New York, we are not merely anticipating a public health crisis, we are in the midst of one. While we work to contain the spread of disease, we must protect consumers when they are particularly vulnerable. This legislation would ensure that no one can prey on consumers’ fears and cause widespread panic.”

**Senator Tim Kennedy, Prime Co-Sponsor, said:** “As advised by health experts, many New Yorkers are doing everything they can to stay healthy during this public health emergency, including using hand sanitizer, soap and disinfectants. Now more than ever, it’s important that we’re diligent about protecting ourselves - and each other - from the spread of this virus. Unfortunately, while some see this crisis as an opportunity to help, others see this as an opportunity to get rich quick. We as New Yorkers will not stand for this, and through this legislation, we're making sure that manufacturers or distributors found to be preying on vulnerable people in a time of crisis are held accountable.”

**Senator Kevin Thomas, Chair of the Senate Consumer Protection Committee, said:** “We have a responsibility to protect consumers in the midst of a public health emergency. We cannot and will not tolerate attempts by bad actors to exploit people’s fears and impede access to potentially life-saving medical products. I thank Senator Hoylman for introducing this critical legislation, which will put a stop to price gouging and prioritize public health during this crucial time.”

The legislation, S.7932, would crack down on price gouging during public health emergencies by strengthening New York’s existing price gouging statute. The legislation creates a

presumption that any price increase of greater than 10% during a public health emergency is illicit price gouging. The New York State Attorney General could enforce a civil fine of up to \$25,000 on manufacturers, distributors and retailers who are found to have participated in price gouging and seek restitution for consumers.

Currently, New York's existing price gouging statute does not define what constitutes an "unconscionable excessive" price increase. With this legislation, New York would join California, New Jersey, the District of Columbia, and multiple other states that have established a 10% price increase as the presumptive threshold for price gouging.

**Bill Ferris, AARP New York State Legislative Representative, said:** "By empowering the Attorney General to take action on price gouging practices quickly, this bill could help bring an end to this terrible practice. Older New Yorkers are at particular risk during this public health emergency, and AARP applauds Senators Hoylman, Kennedy and Thomas and Assemblymember Rozic for their swift response and sensible legislation – which is similar to laws already on the books in California, New Jersey, four other states and the District of Columbia."

**Russ Haven, NYPIRG General Counsel said:** "Most businesses are honorable, but there are shameless operators who view a disaster or crisis as an opportunity to unconscionably jack up prices to gouge the public when it's most vulnerable. We saw this after blizzards, 9/11 and Superstorm Sandy and there's evidence of profiteering off of the coronavirus. This legislation would add add New York to the states with a strong public policy in statute against this kind of conduct and give the Attorney General an important tool to deter and if necessary hold accountable businesses that gouge the public during declared emergencies."

**Senator Alessandra Biaggi said:** "With the novel coronavirus rapidly spreading around our state, New Yorkers — including many residents in the Bronx and Westchester who are older

or have underlying health conditions — are right to take common sense steps to protect themselves and their families. It is unconscionable for companies to seek to take advantage of New Yorkers trying to purchase medical goods and profit off an ongoing public health crisis. This bill will help New York State proactively combat price gouging in cases of public health emergencies and ensure that consumers can access needed medical supplies at a reasonable cost. I want to thank Senator Hoylman for his leadership and look forward to working with him to swiftly advance this bill.”

**Senator Leroy Comrie said:** “Businesses should not be using this public health emergency as an opportunity to swindle folks who may be legitimately concerned about their well being. Defining what constitutes an 'unconscionable excessive' price increase will make it clear to law enforcement and businesses alike where we as a state draw the line between supply control and outright abuse. Thanks to Senator Hoylman and Assembly Member Rozic for sponsoring this important piece of consumer protection legislation.”

**Senator Jim Gaughran said:** "It is unconscionable that while New York State is working to address the growing coronavirus outbreak, a handful of bad actors are choosing to profit off this situation by shamelessly hiking prices on necessary goods that will help protect the public's health. I thank Senator Hoylman for putting this bill forward and Leader Stewart-Cousins for her steadfast leadership prioritizing public health during this ongoing situation."

**Senator Todd Kaminsky said:** “Price gouging during a public health crisis is unconscionable. The state is cracking down but it would be more helpful if we had a stricter law that sets clearer standards, gives teeth to enforcement and ensures that vendors provide medical products during emergencies at normal cost. I’m proud to co-sponsor legislation that will ensure that federal and state authorities have the tools they need to keep consumers safe and protect them from scams.”

**Senator John Liu said:** “Public concerns over COVID-19 show no signs of abating, and illicit price gouging by some rogue merchants only fuels more anxiety. There’s a need for city and state governments to step up and regulate such illegal activities, and I hope the new bills introduced today will help soften the impact of this health crisis. The bills will also help the majority of businesses who conduct legal and ethical commerce. “

**Senator Rachel May said:** “Price gouging during an emergency situation is unconscionable. I proudly stand with my colleagues in the Senate to declare that New York will not tolerate the exploitation of emergencies at the expense of our residents.”

**Senator Jessica Ramos said:** “At a time when our state is in a public health crisis, it’s not only cruel to exploit our communities by overcharging for medical supplies, but it also decreases the likelihood that people will be able to take the necessary precautions to stay healthy. We have to pass this legislation in order to prioritize safety and ensure that our neighbors aren’t being taken advantage of by bad actors,” State Senator Jessica Ramos said.”

**Senator Luis R. Sepúlveda said:** “The escalating coronavirus outbreak is putting our nationwide health systems to a test of justice and equality. It is clear that low-income, marginalized, and uninsured communities - like my own district in the Bronx - are at highest risk of getting sick and lacking adequate care. Price gouging is an abhorrent and life-threatening tactic by greedy profiteers during a public health crisis. I’m grateful to my colleagues for introducing critical legislation that will protect consumers and help us keep New Yorkers healthy and cared for, during this emergency and beyond.”

**Senator José M. Serrano said:** "Price gouging, especially during a public health emergency, is unscrupulous and inhumane. Many New Yorkers work hard and make tremendous sacrifices just to afford average prices on products that will help prevent the spread of this virus and other diseases. Raising prices to turn a larger profit on necessary items like hand sanitizer goes against our New York values of looking out for our neighbors in times of need. Thank

you to Senator Hoylman, Assembly Member Rozic, Senator Kennedy, and Senator Thomas for your commitment to the health and safety of all New Yorkers."

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#### RELATED LEGISLATION

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## 2019-S7932

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
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Prohibits price gouging with respect to medical supplies during a public health emergency

March 03, 2020

In Senate Committee [Consumer Protection](#)

Sponsored by [Brad Hoylman-Sigal](#)

Do you support this bill?