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Changes to State Price Gouging Law Unveiled

Columbia, S.C. – Local law enforcement may find their ability to investigate criminal price gouging a little easier in the future thanks to a new bill proposed Attorney General Henry McMaster and sponsored by House Speaker Bobby Harrell.

The proposed addition to the state price gouging law will allow law enforcement to investigate and prosecute criminal price gouging if a state of emergency is declared in other regions of the country, which adversely impacts the price, and supply of goods and services in South Carolina.

Skyrocketing gas prices in the wake of September's hurricanes caused consumers across the state to complain, many alleging that price gouging was occurring at the pump, with over 1,550 complaints flooding into the Attorney General's Office alone. However, state law only allowed law enforcement to investigate and prosecute criminal price gouging during a state of emergency declared by the governor.

In October, McMaster announced that a civil Unfair Trade Practice investigation into these complaints resulted in the records of seven Upstate gasoline retailers being subpoenaed for review and that the retailers could have been criminally investigated for price gouging had the authority to do so existed at the time. Last week, McMaster testified before the U.S. Senate on needed changes to state and federal price gouging laws.

"Under our competitive economic system, high prices or quick run-ups in prices are not and should not be illegal absent certain compelling circumstances. Taking risks and making a profit - or a loss - is the American way," said McMaster. "To effectively fight true price gouging, however, we need authority to pursue price gougers in South Carolina when we are suffering an abnormal disruption of our market as the result of an event elsewhere."

McMaster also emphasized, "This approach recognizes the regional impacts of events and allows prosecutorial authorities to act quickly when unconscionable prices are being charged, without the necessity of a locally declared state of emergency."

Speaker Harrell explained that, "This change to the price gouging law will give local law enforcement the flexibility to investigate complaints of price gouging and determine whether profiteering or market forces are at work."

The bill does not change current misdemeanor criminal penalties of a \$1,000 fine or thirty days in jail. View the bill at: www.scattorneygeneral.com/newsroom

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