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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. SMITH of Missouri introduced the following bill; which was referred to the Committee on _____

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 an
8 increase in cost of acquiring, producing,
9 selling, transporting, and delivering goods,
10 plus the average profit margin during the
11 30-day period prior to the date on which a
12 state of emergency declaration is made; or

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

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

 “221. Price gouging.”.

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