MEMORANDUM

TO: The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

FROM: Fitzroy Lee  
Acting Chief Financial Officer

DATE: February 14, 2022


REFERENCE: Bill 24-126, Committee Print as provided to the Office of Revenue Analysis on February 11, 2022

Conclusion

Funds are sufficient in the fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the bill.

Background

The bill makes permanent changes and clarifications to price gouging and stockpiling laws, some of which have been temporarily in effect during the public health emergency.¹

The bill clarifies that price gouging prohibitions apply during a declared public health emergency. Currently, permanent law only prohibits price gouging during a natural disaster. The bill also clarifies the level of price change that constitutes price gouging for vehicle rentals and hotel rooms. The bill prohibits stockpiling of goods that have been declared by the Mayor or the federal government as necessary for first responders, maintenance of supply chains, or government ordered rationing.

Additionally, the bill sets penalties for stockpiling or price gouging at a minimum of $1,000 per violation and no more than $10,000 per violation, depending on severity of the violation. It also requires courts to apply the maximum penalty per violation, but only if the violation involves goods that have been declared by the Mayor or the federal government as necessary for first responders.

¹ See, e.g. Coronavirus Support Emergency Act of 2020, enacted May 27, 2020 (A23-326; 67 DCR 7045) and subsequent emergency and temporary bills and amendments.
maintenance of supply chains, or government ordered rationing. Current temporary law requires the maximum penalty for any type of good.

Lastly, the bill clarifies that it is not considered a violation if the wholesale price of merchandise decreases while the retail price stays the same, or if the price is not decreased proportionally with wholesale price.

Financial Plan Impact

Funds are sufficient in the fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the bill. The Office of the Attorney General and the District Department of Consumer and Regulatory Affairs have been responsible for enforcing price gouging laws during the current public health emergency. The bill is not expected to significantly increase the number of cases currently managed by the agencies, so the agencies can implement the changes within current resources.