SENATE BILL No. 382

By Senator Schmidt

AN ACT concerning the consumer protection act; relating to profiteering from disaster.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) It shall be an unconscionable act within the meaning of K.S.A. 50-627, and amendments thereto, for any supplier to profiteer from a disaster.

(b) As used in this section:

(1) "Profiteer from a disaster" means unjustifiably increasing during a time of disaster the price at which any necessary property or service is offered for sale to consumers. Actual sales at the increased price shall not be required for the increase to be considered unconscionable. In determining whether the price increase described in this subsection is unjustified, the court shall consider all relevant circumstances including, but not limited to, the following: (A) Whether the price charged by the supplier during the time of disaster grossly exceeded the price charged by the supplier for similar property or services immediately prior to the disaster, and an increase of more than 50% shall be prima facie evidence of gross excess;

(B) whether the amount charged by the supplier during the time of disaster grossly exceeded the price at which the same or similar property or services were readily obtainable by other consumers in the trade area, and a price difference of more than 50% shall be prima facie evidence of gross excess; and

(C) whether the increase in the amount charged by the supplier during the time of disaster was attributable to additional costs incurred by the supplier in connection with the sale of the product or service, and proof the supplier incurred such additional costs shall be prima facie evidence that the price increase was justified when such additional costs were actually incurred by the supplier during the period in which the substantially increased price was being charged;

(2) "time of disaster" means the period of time when a declaration of a state of emergency by the president of the United States or any local official authorized to declare a state of local
disaster emergency pursuant to K.S.A. 48-932, and amendments thereto, is in effect; or 30 days after the occurrence of the event that constitutes the disaster, whichever is longer;

(3) “disaster” means natural or man-made events including, but not limited to, tornado or other severe storm, earthquake, flood, fire, riot, act of war, terrorism, civil disorder or other extraordinary adverse circumstance. The court shall find that an event constitutes a disaster if the event results in the declaration of a state of emergency by the president of the United States or, the governor or any local official authorized to declare a state of local disaster emergency pursuant to K.S.A. 48-932, and amendments thereto. The court may find that an event constitutes a disaster in the absence of a declared state of emergency; and

(4) “necessary property or service” means any necessary property or service for which consumer demand does, or is likely to, increase as a consequence of the disaster and includes, but is not limited to, consumer food items or property, property or services for emergency cleanup, emergency supplies, communication supplies and services, medical supplies and services, home heating fuel, building materials and services, freight, storage services, housing, lodging, transportation and motor fuels.

(c) The provisions of this section shall be part of and supplemental to the consumer protection act.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.