

Consolidated Fiscal Note

2023-2024 Legislative Session

HF6 - 1A - Price Gouging Prohibited

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **1/17/2023 3:16:15 PM**
 Lead Agency: **Governors Office**
 Other Agencies:
 Attorney General

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
State Total						
	Total	-	-	-	-	-
	Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 1/17/2023 3:16:15 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Fiscal Note

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Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **1/17/2023 3:16:15 PM**
 Agency: **Governors Office**

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Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 1/11/2023 3:57:30 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill provides clarifying language regarding executive orders for abnormal market disruptions.

Assumptions

The Governor’s Office Legal team would complete this work as part of their regular work supporting and delivering executive orders and there is no impact to the Governor’s Office.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Alyssa Haugen (952-495-3454)

Agency Fiscal Note Coordinator Signature: Alyssa Haugen

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Fiscal Note

2023-2024 Legislative Session

HF6 - 1A - Price Gouging Prohibited

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **1/17/2023 3:16:15 PM**
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 1/17/2023 3:14:20 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

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Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
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Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

H.F. 6 (hereinafter the “Bill”) provides that during times when the governor declares an “abnormal market disruption,” persons are prohibited from selling or offering to sell an “essential consumer good or service” for example, food, water, fuel, gasoline, shelter, transportation, health care services, pharmaceuticals, or medical supplies for an amount that represents an unconscionably excessive price.

The bill provides that the governor may, by executive order, declare an “abnormal market disruption” if there is a substantial and atypical change in the market for an essential consumer good or service caused by an event that results in a declaration of a state of emergency by the governor. The executive order must state it is activating this section and specify the geographic area of Minnesota to which it applies. The governor is also required to notify the public of the abnormal market disruption declaration and the Commissioner of Commerce “must provide notice directly to sellers by any practical means.” The Bill defines “unconscionably excessive” as: (1) a gross disparity between the seller’s price of the good or service and the average price of the same good or service offered for sale or sold in the usual course of business in the 60-day period before the governor declares an abnormal market disruption. Among other exclusions, the Bill provides that a price that is 25% or less the average price during the 60-day period before an abnormal market disruption is declared does not constitute an “unconscionably excessive” price.

The Bill vests the Attorney General with authority to investigate and enforce its provisions. The Bill further provides for a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty of \$25,000 per day. The bill prohibits any other penalties from being imposed for the same conduct regulated under the bill.

Assumptions

The Bill vests the Attorney General with authority to investigate and enforce its provisions. The Bill further provides for a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty of \$25,000 per day. The bill prohibits any other penalties from being imposed for the same conduct regulated under the bill.

H.F. 6 (hereinafter the “Bill”) provides that during times when the governor declares an “abnormal market disruption,” persons are prohibited from selling or offering to sell an “essential consumer good or service” for example, food, water, fuel, gasoline, shelter, transportation, health care services, pharmaceuticals, or medical supplies for an amount that represents an unconscionably excessive price. The bill provides that the governor may, by executive order, declare an “abnormal market disruption” if there is a substantial and atypical change in the market for an essential consumer good or service caused by an event that results in a declaration of a state of emergency by the governor. The executive order must state it is activating this section and specify the geographic area of Minnesota to which it applies. The governor is also required to notify the public of the abnormal market disruption declaration and the Commissioner of Commerce “must provide notice directly to sellers by any practical means.” The Bill

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Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency Contact:

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