
A BILL FOR AN ACT

RELATING TO GASOLINE PRICE GOUGING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Hawaii's geographic isolation has made it
2 particularly vulnerable to high gasoline prices, particularly
3 during abnormal disruptions of the gasoline market. Gasoline is
4 one product that consumers cannot do without. No one should be
5 allowed to take advantage of abnormal market conditions to gouge
6 Hawaii consumers of this precious resource.

7 Due to recent catastrophic events, the cost of gasoline has
8 become a concern for consumers nationally and locally. The
9 purpose of this Act is to protect Hawaii consumers from price
10 gouging in the purchase of gasoline during periods of abnormal
11 disruption of the marketplace caused by extraordinary adverse
12 circumstances.

13 Currently, absent a local natural disaster, or a formal
14 declaration of emergency by the governor, the only way that the
15 State can prosecute someone for price gouging is pursuant to the
16 unfairness doctrine of chapter 480, Hawaii Revised Statutes.

17 This Act will enhance enforcement authority by specifically
18 making it an unlawful trade practice for any gasoline-related



1 business to sell or offer to sell any gasoline product for an
2 amount that represents an unconscionably excessive price during
3 any abnormal disruption of the market, whether that disruption
4 occurred in Hawaii or in other parts of the world.

5 SECTION 2. Section 486B-1, Hawaii Revised Statutes, is
6 amended by adding two new definitions to be appropriately
7 inserted and to read as follows:

8 "Abnormal disruption of the market" means any change in
9 the market resulting from an actual or imminently threatened
10 stress of weather, convulsion of nature, failure or shortage of
11 electric power or other source of energy, strike, civil
12 disorder, war, military action, or national or local emergency.

13 "Unconscionably excessive price" means a price at which the
14 amount charged represents a gross disparity between the price of
15 the gasoline product and:

16 (1) The price at which the same grade of gasoline product
17 was sold or offered for sale by the gasoline-related
18 business in the usual course of business immediately
19 prior to the onset of the abnormal disruption of the
20 market; or



1 (2) The price at which the same or similar grade of
2 gasoline product is readily obtainable by other buyers
3 in the trade area;
4 and the disparity is not substantially attributable to increased
5 prices charged by suppliers to the gasoline-related business or
6 increased costs attributable to market forces beyond the control
7 of the gasoline-related business selling or offering to sell the
8 gasoline product."

9 SECTION 3. Section 486B-3, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[+]§486B-3[+] **Unlawful profiteering.** Any person who
12 sells petroleum products and who, with intent to enhance the
13 price or restrict the supply of petroleum products:

14 (1) Wilfully causes or permits preventable waste in the
15 production, manufacture, storage, or distribution of
16 petroleum products;

17 (2) Prevents, limits, lessens, or restricts the
18 manufacture, production, supply, or distribution of
19 petroleum products;

20 (3) Enters into any contract, combination, or conspiracy
21 in restraint of trade or commerce;



1 (4) Exacts or demands any unjust or unreasonable profit in
2 the sale, exchange, or handling of petroleum products;

3 [~~or~~]

4 (5) Sells or offers to sell gasoline at an unconscionably
5 excessive price during any abnormal disruption of the
6 market; or

7 [~~(5)~~] (6) In any way aids or abets the doing of any act
8 prohibited in paragraphs (1) to [~~(4)~~] (5),
9 commits an unlawful trade practice."

10 SECTION 4. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun, before its effective date.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Gas; Price Gouging

Description:

Protects consumers from price gouging in the purchase of gasoline during periods of abnormal disruption of the marketplace caused by extraordinary adverse circumstances.
(HD1)

