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# A BILL FOR AN ACT

RELATING TO PETROLEUM 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 live without. No one should  
5 be allowed to take advantage of abnormal market conditions to  
6 gouge Hawaii consumers of this precious commodity.

7           Due to recent catastrophic events, the cost of gasoline has  
8 become a concern for consumers nationally and locally.  
9 Currently, absent a local natural disaster or a formal  
10 declaration of emergency by the governor, the only way that the  
11 State can prosecute someone for price gouging is pursuant to the  
12 unfairness doctrine of chapter 480, Hawaii Revised Statutes.  
13 This Act will enhance enforcement authority by specifically  
14 making it an unfair or deceptive trade practice for any  
15 gasoline-related business to sell or offer to sell any gasoline  
16 product for an amount that represents an unconscionably  
17 excessive price during any abnormal disruption of the market,



1 whether that disruption occurred in Hawaii or in other parts of  
2 the world.

3 The purpose of this Act is to protect Hawaii consumers from  
4 price gouging in the purchase of gasoline during periods of  
5 abnormal disruption of the marketplace caused by extraordinary  
6 adverse circumstances.

7 SECTION 2. The Hawaii Revised Statutes is amended by  
8 adding a new chapter to title 26 to be appropriately designated  
9 and to read as follows:

10 "CHAPTER

11 GASOLINE PRICE GOUGING

12 § -1 Short title. This chapter shall be known and may  
13 be cited as the "Gasoline Price Gouging Act of 2007".

14 § -2 Definitions. For purposes of this chapter, unless  
15 the context clearly provides otherwise:

16 "Abnormal disruption of the market" means any change in the  
17 market resulting from an actual or imminently threatened stress  
18 of weather, convulsion of nature, failure or shortage of  
19 electric power or other source of energy, strike, civil  
20 disorder, war, military action, or national or local emergency.

21 "Gasoline product" includes gasoline, benzol, benzine,  
22 naphtha, and any other liquid prepared, advertised, offered for



1 sale, sold for use as, or used for the generation of power for  
2 the propulsion of motor vehicles, including any product obtained  
3 by blending together any one or more petroleum products with or  
4 without other products, if the resultant product is capable of  
5 the same use.

6 § -3 Gasoline price gouging as unfair or deceptive act

7 or practice. (a) It shall constitute an unfair or deceptive  
8 act or practice in the conduct of any trade or commerce under  
9 section 480-2 for any gasoline-related business to sell or offer  
10 to sell any gasoline product for an amount that represents an  
11 unconscionably excessive price during any abnormal disruption of  
12 the market.

13 (b) A price is unconscionably excessive if the amount  
14 charged represents a gross disparity between the price of the  
15 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. This Act shall take effect upon its approval.



**Report Title:**

Petroleum; Restraint of Trade; Price Gouging

**Description:**

Prohibits the sale of any petroleum product for an unconscionably excessive price during any abnormal disruptions of the market as an unfair or deceptive act or practice in the conduct of any trade or commerce under section 480-2. HD1

