

Attorney General Leslie Rutledge Offers Guidance on Price Gouging

Arkansas has laws that prohibit price gouging during states of emergency. On March 11, 2020, Governor Asa Hutchinson declared a public health emergency relating to coronavirus disease 2019 (COVID-19). That declaration triggered the protections of Arkansas' price gouging law. The ban on price gouging will remain in effect for at least 30 days on goods and services related to the emergency and can be extended another 30 days by the governor, if needed.

The price gouging law prohibits any person or business from charging more than 10% above the pre-emergency price of goods or services. The scope of the law is broad and intended to cover anything that may be needed in the event of a state of emergency. As it relates to the COVID-19 public health emergency, covered goods and services include, but are not limited to, cleaning and disinfecting products, personal protective equipment, medicine and medical supplies, and goods used for personal care. In short, any basic needs product or service is covered under the law.

While the law sets a general 10% cap on price increases during an emergency, businesses may lawfully charge a higher price if they can establish that the higher price is directly attributable to additional costs for labor or materials used to provide the goods or service. In such a limited situation, the business may charge no more than 10% above the total of the cost to the business, plus the mark-up that is customarily applied by the business for that good or service in the normal course of business.

Wholesale distributors and other vendors are not exempt from the price gouging law. If a supplier has recently increased its prices for goods or services by more than 10%, please contact our office immediately.

Rutledge encourages local officials, businesses and consumers to report suspected price gouging via a form at <https://arkansasag.gov/covid19/report/>. The complaint should contain as many details as possible including information about the product (brand, size, quantity, price), seller (name, location), photo or screenshot and, in the case of online sales, website, seller ID, and URL.

If a business or individual violates the price gouging law, the attorney general can seek injunctive relief, restitution to consumers, costs, attorneys' fees, and civil penalties up to \$10,000 per violation. Criminal sanctions may also apply to violators.