



*This guide was developed by the Tennessee Division of Consumer Affairs to provide basic information about price gouging and is not legal advice.*

## **WHAT IS PRICE GOUGING?**

Price gouging occurs when individuals and businesses try to take advantage of disasters and other economic disruptions for personal gain by charging excessive and unreasonable prices for essential goods.

Price gouging laws make it unlawful for individuals and businesses to charge unreasonable prices for essential goods and services including gasoline, food, ice, fuel, generators, lodging, and other necessities.

## **PRICE GOUGING LAWS IN TENNESSEE INCLUDE:**

### **The Tennessee Consumer Protection Act:**

Prohibits “unreasonably raising the prices or unreasonably restricting supplies of essential goods, commodities or services in direct response to a crime, act of terrorism, war, or natural disaster, regardless of whether such crime, act of terrorism, war, or natural disaster occurred in the state of Tennessee.” Tenn. Code Ann. § 47-18-104(b)(34).

### **The Tennessee Price Gouging Act of 2002:**

Upon the declaration of an abnormal economic disruption by the governor by proclamation or executive order, and continuing for a maximum of fifteen (15) calendar days, unless extended by a subsequent declaration in any county or municipality covered by the abnormal economic disruption, a person is prohibited from charging any other person a price for the following goods or services that is grossly in excess of the price generally charged for the same or similar goods or services in the usual course of business:

- (A) Consumer food items;
- (B) Repair or construction services;
- (C) Emergency supplies;
- (D) Medical supplies;
- (E) Building materials;
- (F) Gasoline;
- (G) Transportation, freight, and storage services; or
- (H) Housing.

A declaration of an abnormal economic disruption by the governor may specify that only certain goods or services are covered by the prohibition described above. Tenn. Code Ann. § 47-18-5103(a)(1).



Even while a declaration of an abnormal economic disruption is in effect, a business *may* increase prices if the increase was directly attributable to price increases in the commodity markets; pre-existing pricing agreements; additional costs imposed by the supplier of the goods or services; or additional costs for labor, services, or materials used to provide goods or services, including costs of replacing inventory and additional labor charges. Tenn. Code Ann. § 47-18-5103(b).

## **WHAT IS COVERED UNDER TENNESSEE’S PRICE GOUGING LAWS?**

The price gouging statutes cover not just gasoline, but also other essential goods or services. These include food, repair or construction services, emergency supplies, medical supplies, building materials, transportation, freight, and storage services or housing.

## **WHAT ARE THE LEGAL CONSEQUENCES FOR PRICE GOUGING IN TENNESSEE?**

Under the Tennessee Consumer Protection Act, the Attorney General can file lawsuits against persons that engage in price gouging activities and request that a court issue injunctions and order civil penalties of up to \$1,000.00 for each violation. The State can also seek refunds for consumers. Keep in mind, however, that the unreasonable increase in prices must either be related to a crime, act of terrorism, war, or natural disaster or must occur while a declaration of an abnormal economic disruption is in effect.

## **HOW DO I KNOW IF I WAS A VICTIM OF PRICE GOUGING?**

Generally, look for sudden dramatic increases in prices for necessities right before, during, or after a natural disaster, crime, act of terrorism, or while a declaration of an abnormal economic disruption is in effect. High prices are not automatically price gouging and may be reasonable based on the business’s costs.

## **WHAT EVIDENCE DO I NEED TO HELP ENFORCE THE PRICE GOUGING STATUTES?**

If you think you may have been a victim of price gouging, keep a record of your transaction and document key details such as the specific product you purchased (including, for example, the grade of gasoline), the name and location of the business, the date and time of your purchase, the method of payment, the price you paid, and (if known) the price of the item *prior* to the sudden price increase. Always keep your receipts. Photographic evidence of price signage, even something as simple as a cell phone image, can be crucial to an investigation. Consumers who purchase a product should also include a copy of their original receipt, invoice, or credit card statement with their complaint. The complaint application can be found at [File a Complaint \(tn.gov\)](https://www.tn.gov/consumer-affairs/division/file-a-complaint).

Please keep in mind when providing materials to support your complaint that they will not be returned. **DO NOT mail original documents.** In addition, please blacken out any personal information such as account numbers.



## **WHAT CAN I DO IN THE FUTURE TO PROTECT MYSELF AND MY FAMILY IN AN EMERGENCY?**

Planning ahead and preparing for disaster before it happens can help you stay safe and avoid becoming a victim of price gouging. The Federal Emergency Management Agency (FEMA) offer more information about planning here: <https://www.fema.gov/emergency-managers/national-preparedness/plan>.

Or visit the Tennessee Emergency Management Agency (TEMA) at [www.tnema.org](http://www.tnema.org).

## **RESOURCES FOR CONSUMERS:**

To view Tennessee's price gouging statutes and other consumer protection laws visit: <https://www.tn.gov/attorneygeneral/working-for-tennessee/consumer/resources/laws.html>

Price gouging complaints can be filed with the Attorney General's Consumer Affairs Division here: <https://www.tn.gov/commerce/consumer/file-a-complaint.html>

Complaints may also be filed with the Federal Trade Commission here: <https://reportfraud.ftc.gov/#/>

## **HOW CAN I LEARN MORE ABOUT GAS PRICE FLUCTUATIONS?**

The website of the U.S. Department of Energy provides information about the production and marketing of gasoline and price trends.

### **U.S. Department of Energy**

[Gasoline and Diesel Fuel Update - U.S. Energy Information Administration \(EIA\)](#)

1000 Independence Ave., SW  
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