

CLARENCE K. LAM, M.D., M.P.H.  
*Legislative District 12*  
Baltimore and Howard Counties

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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

Miller Senate Office Building  
11 Bladen Street, Room 420  
Annapolis, Maryland 21401  
410-841-3653 · 301-858-3653  
800-492-7122 Ext. 3653  
Clarence.Lam@senate.state.md.us

**Support SB 565:**

**Public Safety - Emergency Management - Price Gouging Consumer Protections**

**Background:**

- During the COVID-19 Pandemic, many sellers have increased prices for essential goods and services without evidence that the price increases were needed to offset additional costs.
- At the beginning of the crisis, the Governor implemented an emergency order that prohibited price gouging of essential goods and services, including food, medical supplies, and fuel.
- Thirty-one other states and the District of Columbia have laws against price gouging during emergency situations.

**Why SB 565 is Needed:**

- During an emergency, consumers need consistent and affordable access to essential goods and services, like groceries, healthcare staffing services, and medical supplies.
- Current Maryland law does not protect consumers from price gouging during a state of emergency. The pandemic-related emergency authority prohibiting price gouging has expired, leaving consumers vulnerable to price gouging in future emergencies.
- Under the current law, the Consumer Protection Division of the Office of the Attorney General cannot address complaints about price gouging from Maryland residents during a state of emergency.

**What SB 565 Does:**

- SB 565 prohibits all businesses, including both manufacturers and sellers, from increasing the price of essential goods and services by more than ten percent from the price that was charged before the declaration of a state of emergency, unless they can prove that additional costs are being incurred during an emergency.
- SB 565 not only protects consumers, but protects Maryland businesses, who are also the victims of price gouging.

- SB 565 makes the temporary price gouging law enacted during the pandemic by the General Assembly against price gouging a permanent law, effective during a state of emergency.
- SB 565 requires that the Secretary of State establish an electronic notification system where people could register to be informed that a state of emergency has been declared and that the provisions of this bill are in effect.

**What SB 565 Accomplishes:**

- SB 565 ensures that Maryland residents are permanently protected from price gouging of essential goods and services when a state of emergency is declared.
- SB 565 allows the Consumer Protection Division to address price gouging complaints in an emergency situation.
- SB 565 permits businesses to increase prices by more than 10% on essential goods and services if they can verify that they are incurring additional costs during a state of emergency.
- SB 565 helps Maryland join the 32 other jurisdictions, including all of Maryland's neighboring states, that have clear consumer protections against price gouging during a state of emergency.

**Sponsor Amendment:**

- **SB0565/213521/01:** At the request of the Deputy Secretary of State, the bill language has been changed to indicate that this requirement does not have to be done through regulations.