NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Legislature Passes Hoylman-Rozic Legislation Cracking Down On "Virus Profiteers" Who Engage In Pandemic Price Gouging

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May 27, 2020

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NEW YORK—Today, the New York State Legislature voted to pass S.8189 (Hoylman)/A.10270 (Rozic), legislation to strengthen New York's law against price gouging.

Senator Hoylman said: "Virus profiteers and scam artists tried to rip off New Yorkers, selling medical supplies at sky-high prices to desperate hospitals and local governments. It's unconscionable that someone would use the COVID-19 crisis as a way to make a quick buck. That's why I introduced this bill to expand our price

gouging statute, protecting more New Yorkers than ever from these rip-off schemes. I'm grateful to Senate Majority Leader Andrea Stewart-Cousins for ensuring we pass this important bill today, to Assembly Member Nily Rozic for her partnership, and to Attorney General Letitia James for her advocacy on behalf of New York's consumers."

"The COVID-19 pandemic has exposed flaws in the state price gouging statute and this legislation will go a long way to ensure that New Yorkers have access to the products and care required without paying excessive and unreasonable prices," **said Assemblywoman Nily Rozic (D,WF-Queens).** "While we continue to work to contain the spread of disease, we must protect consumers when they are particularly vulnerable. This legislation would ensure that no one can prey on consumers' fears and cause widespread panic during a health crisis.

"It is vitally important that the state has all the necessary tools to protect New Yorkers against those seeking to take advantage of this pandemic," **said New York Attorney General Letitia James.** "This common-sense measure will enable my office to better protect consumers, small businesses, health care providers, and even the state from price gouging. Over the last three months, we have received over 5,500 price gouging complaints related to COVID-19, which is why we are focused on protecting all New Yorkers now and in the future. We look forward to seeing this bill signed into law and continuing our work to protect New Yorkers. I thank Senator Hoylman and Assemblywoman Rozic for their support and partnership in passing this important legislation."

Senator Hoylman and Assembly Member Rozic's bill expands New York's existing price gouging statute to include "essential medical supplies and services" and "any other essential goods and services used to promote the health or welfare of the public." The law also expands the anti-price gouging statute to prohibit price gouging of products that benefit the general public but are not directly sold to consumers. Previously, New York's price gouging statute covered only "consumer goods and services," preventing the Attorney General's office from going after non-consumer goods (e.g. surgical masks and gloves) or non-consumer sales (e.g. sales to institutions or government).

If signed into law, the bill would expand the Office of the Attorney General's ability to crack down on price gouging. The Attorney General would have increased flexibility to identify goods and services where the price gouging laws should

apply. The bill also increases the maximum civil penalty for price gouging to $25,000 per violation.

In April, New York State paid up to twenty times the normal price for medical supplies like gloves and masks. St. Joseph's Hospital in Yonkers was forced to pay exorbitant prices for PPE at the peak of the pandemic, including paying $8.00 for masks that typically cost around 50 cents, and $25 for protective face masks that typically cost $1.25. Since the COVID-19 State of Emergency began, the Office of the Attorney General has received at least 5,750 consumer complaints of price gouging.

Eric Linzer, president & CEO of the New York Health Plan Association said: "We appreciate the leadership of Assemblywoman Rozic on this issue. It is vital that consumers are able to access the care they need without being faced with excessive price increases in the midst of a pandemic. This legislation is an important tool to deter entities from exploiting a public health crisis for profit so that health care can remain affordable for consumers and employers."

NYPIRG General Counsel Russ Haven said: "You shouldn't have to go into hock to buy face masks and hand sanitizer during a pandemic. While crisis brings out the best in New Yorkers, there's a shameless few who will seek to exploit bad times for profit. This smart legislation from Senator Hoylman and Assemblymember Rozic will help deter price gouging of medical supplies and services during emergencies and give the Attorney General a tool to enforce the law against those who try to profiteer from the fear and misery of others."

Dr. Bonnie Litvack, MD, President of the Medical Society of the State of New York (MSSNY) said: "Even though the COVID19 acute crisis has begun to subside around the state, New York physicians still face enormous challenges as they work to fully reopen their practices to treat their patients. Chief among those challenges is the dangerous shortage of Personal Protective Equipment (PPE) due to a variety of factors including refusal by some suppliers to sell to smaller physician practices and/or charging enormously marked-up prices. A.10270 (Rozic- D/Queens) sets forth important steps to better ensure that PPE sellers will deal more fairly with community physicians and other care providers to enable them to get the critical supplies they need to get back to treating their patients and serving the communities where they live."

related legislation

[2019-S8189](#)

- Introduced
-   - In Committee Assembly
    - In Committee Senate
-   - On Floor Calendar Assembly
    - On Floor Calendar Senate
-   - Passed Assembly
    - Passed Senate
- Delivered to Governor
- Signed By Governor
-

[Relates to price gouging](#)

April 13, 2020

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