

2001 ASSEMBLY BILL 762

January 31, 2002 – Introduced by Representatives KEDZIE, KRUSICK, URBAN, OWENS, SINICKI, GRONEMUS, LASSA, SERATTI, SYKORA, FREESE, RYBA, STASKUNAS and HUEBSCH, cosponsored by Senators DARLING, WIRCH and KANAVAS. Referred to Committee on Small Business and Consumer Affairs.

1 **AN ACT** *to create* 100.305 of the statutes; **relating to:** sales of consumer goods
2 and services during periods of abnormal economic disruption, requiring the
3 exercise of rule-making authority, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill prohibits the sale in this state of consumer goods and services at unreasonably excessive prices during a period of abnormal economic disruption caused by an emergency. Under the bill, an emergency includes a destructive act of nature, a hostile action, terrorism, or a disruption of energy supplies that poses a risk to public's economic well-being, public health, or welfare. The prohibition is only in effect if the governor, by executive order, certifies that a period of abnormal economic disruption exists. The bill defines consumer goods and services to be those that are used primarily for personal, family, or household purposes. The prohibition applies to all wholesale and retail sales of consumer goods and services. Under the bill, the department of agriculture, trade and consumer protection (DATCP) must promulgate rules to establish formulas or other standards to be used in determining what are unreasonably excessive wholesale and retail prices.

For an initial violation of this prohibition, the bill requires that DATCP issue a warning notice instead of filing an action against the seller. If the seller fails to comply with the warning notice or subsequently violates the prohibition after receiving the notice, DATCP, or the department of justice (DOJ) after consulting with DATCP, may file a court action to enjoin the seller from violating the prohibition or to recover a forfeiture of not more than \$10,000, or DATCP or DOJ may seek both the injunction and the forfeiture.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 100.305 of the statutes is created to read:

2 **100.305 Prohibited selling practices during periods of abnormal**
3 **economic disruption. (1) DEFINITIONS.** In this section:

4 (a) “Consumer goods or services” means goods or services that are used
5 primarily for personal, family, or household purposes.

6 (b) “Emergency” includes any of the following:

7 1. A tornado, flood, fire, storm, or other destructive act of nature.

8 2. A disruption of energy supplies to the degree that a serious risk is posed to
9 the economic well-being, health, or welfare of the public.

10 3. Hostile action.

11 4. A strike or civil disorder.

12 (c) “Hostile action” means an act of violence against a person or property in the
13 United States by a foreign power or by a terrorist.

14 (d) “Period of abnormal economic disruption” means a period of time during
15 which normal business transactions in the state are disrupted, or are threatened to
16 be disrupted, due to an emergency.

17 (e) “Seller” means a manufacturer, supplier, wholesaler, distributor, or retailer.

18 **(2) PROHIBITION.** No seller may sell, or offer to sell, in this state at wholesale
19 or at retail, consumer goods or services at unreasonably excessive prices if the
20 governor, by executive order, has certified that the state is in a period of abnormal
21 economic disruption.

