

*W&M/12/20*

A BILL FOR AN ACT

To amend the Kosrae State Code by inserting a new subsection (17) under Section 13.521 of Title 13, to prohibit the practice of price gouging of goods, services, and commodities; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1           Section 1. Purpose. The purpose of this Act is to amend the Kosrae State Code by  
2 inserting a new subsection (17) under Section 13.521 of Title 13, to prohibit the practice of price  
3 gouging of goods, services, and commodities.

4           Section 2. Amendment. A new subsection (17) under Section 13.521, Chapter 5, Title 13 of  
5 the Kosrae State Code is hereby inserted to read as follows:

6           “Section 13.521. Unfair business practice. Unfair business practice is any of the following  
7 acts:

- 8                   (1) Passing off goods or services as those of another;
- 9                   (2) Causing likelihood of confusion or misunderstanding as to the source,  
10                   sponsorship, approval, or certification of goods or services;
- 11                   (3) Causing likelihood of confusion or misunderstanding as to affiliation,  
12                   connection, or association with, or certification by, another;
- 13                   (4) Using deceptive representations or designations of geographic origin in  
14                   connection with goods or services;
- 15                   (5) Representing that goods or services have sponsorship, approval,  
16                   characteristics, ingredients, uses, benefits, or quantities that they do not have

- 
- 1                                    or that a person has a sponsorship, approval, status, affiliation, or connection
- 2                                    that he does not have;
- 3                                    (6)    Representing that goods are original or new if they are deteriorated, altered,
- 4                                                                       reconditioned, reclaimed, used, or secondhand;
- 5                                    (7)    Representing that goods or services are of a particular standard, quality, or
- 6                                                                       grade, or that goods are of a particular style or model, if they are of another;
- 7                                    (8)    Disparaging the goods, services, or business of another by false or
- 8                                                                       misleading representation of fact;
- 9                                    (9)    Advertising goods or services with intent not to sell them as advertised;
- 10                                    (10)   Advertising goods or services with intent not to supply reasonable public
- 11                                                                       demand, unless the advertisement discloses a limitation of quantity;
- 12                                    (11)   Making false or misleading statements of fact concerning the reasons for,
- 13                                                                       existence of, or amounts of price reductions;
- 14                                    (12)   Engaging in any other conduct which similarly creates a likelihood of
- 15                                                                       confusion or of misunderstanding;
- 16                                    (13)   Including in the price of an item at first sale the cost of anything other than:
- 17                                                                       (a) cost of the goods;
- 18                                                                       (b) actual charges for inland and overseas freight;
- 19                                                                       (c) insurance;
- 20                                                                       (d) import taxes, duties and bank charges;
- 21                                                                       (e) van charges;

- 
- 1 (f) handling and stevedoring charges; and
- 2 (g) a sum not greater than 50% of the cost of the goods;
- 3 (14) Including in the price of a second or subsequent sale the cost of anything
- 4 other than;
- 5 (a) the price paid or promised to be paid to the previous seller;
- 6 (b) actual charges for transportation of goods from place of previous sale in
- 7 the State to place of second sale; and
- 8 (c) a sum not greater than 20% of the price paid or promised to be paid to the
- 9 previous seller;
- 10 (15) Failing to display at sale the price of an item offered for sale in a manner
- 11 clearly visible to the buyer; or
- 12 (16) Failing to separate wholesale and retail records or to distinguish between
- 13 goods being sold at wholesale and goods being sold at retail.
- 14 (17) Price gouging or the practice of increasing prices of goods, services, or
- 15 commodities to a level much higher than reasonable or fair, is prohibited.

16 Unfair business practice is a category one misdemeanor.”

17 Section 3. Effective Date. This Act takes effect upon the approval of the Governor or upon

18 its becoming law without such approval.

19

20 Date: 10/16/24

Introduced by:   
Lyndon H. Jackson