

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Prevent Price Gouging in the Sale of Milk

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 7 MRSA §2954-D is enacted to read:

§ 2954-D. Price gouging in the sale of milk

1. Unconscionably excessive price prohibited. A person may not sell or offer to sell Class I fluid milk for an unconscionably excessive price, as determined pursuant to subsection 3.

2. Commission may investigate and issue orders; appeal. Whenever the retail price to consumers for Class I fluid milk exceeds twice what is paid to producers of the milk, the commission may investigate to determine whether the price is unconscionably excessive, as determined pursuant to subsection 3. If it finds probable cause to believe that the price is unconscionably excessive, the commission may after notice and hearing make findings and issue orders to prohibit such practices. Any person aggrieved by an order of the commission may appeal to the Superior Court.

3. Evidence of unconscionably excessive price. An unconscionably excessive price for Class I fluid milk is evidenced by:

A. A disparity between the retail price and the producers' price that grossly exceeds a reasonable rate of return;

B. Significant increases in retail price that are not the result of an increase paid to producers for raw milk and that are not otherwise justified by changes in cost to the dealer or store;

C. Decreases in prices paid to producers that do not yield corresponding decreases in retail prices for the same milk;

D. Elevated prices or changes in price that appear to reflect price-fixing or combination activity by 2 or more stores or dealers; or

E. Elevated prices that appear to result from regional market share dominance by a store or dealer or by a combination of stores or dealers.

4. Penalties. For a violation of its orders, the commission may assess a penalty of up to \$100 per day for each violation. Proceeds from the penalties must be remitted to the Women, Infants and Children Special Supplemental Food Program of the federal Child Nutrition Act of 1966 to be used to purchase milk and milk products for clients of the program.

SUMMARY

This bill prohibits the sale of milk for an unconscionably excessive price. It authorizes the Maine Milk Commission to investigate to determine whether the price is unconscionably excessive whenever the retail price to consumers for milk exceeds twice what is paid to producers of the milk. If the commission finds probable cause to believe that the price is unconscionably excessive, it may after notice and hearing make findings and issue orders to prohibit such practices. The bill specifies certain circumstances that are evidence of an unconscionably excessive price. It authorizes the commission to assess a penalty of up to \$100 per day for each violation with the proceeds to be remitted to the Women, Infants and Children Special Supplemental Food Program to be used to purchase milk and milk products for clients of the program.