



March 3, 2023

RE: SF 6 (Port)

Chair Latz and Members of the Senate Judiciary and Public Safety Committee,

The Minnesota Chamber is a statewide organization representing more than 6,300 businesses of all sizes employing more than half a million employees. We support policies to best position our state for future success by advancing a competitive business climate to encourage a growing economy through increased private sector investment, entrepreneurship, and talent recruitment and retention.

We certainly do not condone bad actors taking unfair advantage of consumers during natural disasters and emergencies. A clear statutory definition is critical so the vast majority of businesses that are acting in good faith and are doing their best to provide critical goods to their communities during a natural disaster or emergency are not unfairly accused of price gouging. We thank the author for amending the bill to provide additional clarity to businesses and consumers on what will trigger a violation and what will not trigger a violation. Price changes can occur for many reasons including normal commodity and seasonal price changes; prior contract price agreements and supply chain cost increases. These normal price changes are not price gouging and should not subject a business to penalties or litigation.

We urge the committee to remove the extremely problematic language of subdivision 7 adding a private right of action and treble damages. The enforcement by the attorney general and civil penalties will provide adequate deterrence and consumer protection without adding unnecessary litigation risks, costs and exposure. Private rights of action along with requirement that litigants "shall" recover three times damages plus the recovery of attorney fees will have the great potential to result in frivolous and nuisance lawsuits driving up litigation exposure and risks for law-abiding businesses. Many times small businesses can be targeted as plaintiff attorneys know they will often settle as it is cheaper than proceeding with a lawsuit battle.

We are happy to work with the bill author and members regarding amendments that will provide adequate protections to consumers but will not result in nuisance lawsuits greatly increasing litigation costs and exposure for the vast majority of businesses that are law-abiding and doing their best to provide needed goods during natural disasters and emergencies to their communities.

Sincerely,

A handwritten signature in black ink that reads "Beth Kadoun".

Beth Kadoun - Vice President, Tax and Fiscal Policy
Minnesota Chamber of Commerce