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119TH CONGRESS
1ST SESSION

H. R. 4720

To amend the Defense Production Act of 1950 to provide for stricter prohibitions on price gouging of certain materials, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2025

Mr. RILEY of New York introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To amend the Defense Production Act of 1950 to provide for stricter prohibitions on price gouging of certain materials, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Cracking Down on Price Gouging Act’’.

SEC. 2. PROHIBITION ON PRICE GOUGING OF CERTAIN MATERIALS.

The Defense Production Act of 1950 (50 U.S.C. 4512) is amended—

(1) in section 102—

(A) by striking ‘‘In’’ and inserting the following:

‘‘(a) PROHIBITION ON HOARDING AND PRICE GOUGING OF CERTAIN MATERIALS OR GOODS.—In’’;

(B) by inserting ‘‘and price gouging’’ after ‘‘prevent hoarding’’;

(C) by striking ‘‘accumulate (1)’’ and inserting ‘‘(1) accumulate’’;

(D) by striking ‘‘for the purpose of resale at prices in excess of prevailing market prices’’ and inserting ‘‘sell or offer to sell at prices that grossly exceed prevailing market prices for the same or similar materials or critical goods in the trade area or at an unfairly excessive price’’;

(E) by striking ‘‘accumulation.’’ and inserting ‘‘accumulation, or any critical good under an acute shortage.’’;

(F) by inserting ‘‘scarce’’ after ‘‘designation of’’; and

(G) by adding at the end the following:

‘‘(b) UNFAIRLY EXCESSIVE PRICE.—

‘‘(1) IN GENERAL.—A price is an unfairly excessive price if there is a gross disparity in the price of a material or critical good at the time of the transaction and the price of the material or critical good immediately prior to—

"(A) the effective date of the President designating the material as a scarce material; or

"(B) the date on which an acute shortage of the critical good begins.

"(2) GROSS DISPARITY.—

"(A) PRESUMPTIVE.—A presumptive gross disparity includes a 10 percent increase of price relative to—

"(i) the effective date of the President designating the material as a scarce material; or

"(ii) the date on which an acute shortage of the critical good begins.

"(B) OTHER PRICE INCREASE.—Nothing in this subsection shall preclude a price increase that is less than a 10 percent increase of the price of a material or critical good relative to the price on the effective date of the President designating such material as a scarce material, or the date on which an acute shortage begins, from constituting a gross disparity.

"(3) EXCEPTION.—Notwithstanding paragraphs (1) and (2), a price is not an unfairly excessive price if it is the result of—

"(A) a legitimate business need of the seller; or

"(B) additional costs outside the control of the seller.

"(c) DEFINITIONS.—In this section:

"(1) ACUTE SHORTAGE.—The term 'acute shortage' means any negative supply impact that is caused by—

"(A) a disease;

"(B) a pathogen;

"(C) a natural disaster;

"(D) a military conflict;

"(E) terrorism;

"(F) supply-chain disruptions;

"(G) extreme industry consolidation; or

"(H) any other similar exigent constraint.

"(2) CRITICAL GOOD.—The term 'critical good' means—

"(A) any consumer food item, good, or service that is used, bought, or rendered primarily for personal, family, or household purposes;

"(B) any essential medical or emergency supply or service;

"(C) any energy resource, including—

"(i) fuel;

"(ii) electricity; or

"(iii) home heating oil; or

"(D) any other essential good or service used to promote the health, safety, or welfare of the public."; and

(2) in section 103—

(A) by striking "Any" and inserting the following:

"(a) IN GENERAL.—Except as described in subsection (b), any"; and

(B) by adding at the end the following:

"(b) PENALTY FOR VIOLATION OF SECTION 102.—Any person who willfully performs any act prohibited by the provisions of section 102 or any rule, regulation, or order thereunder, shall, upon conviction, be fined the greater of $20,000 or 300 percent of the revenue generated in violation of such section.".

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