



# State of New Mexico

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## **Governor Bill Richardson and Attorney General Patricia Madrid announce plan for tough price-gouging law**

*Action follows reports of unfair spikes at gas pumps related to Hurricane Katrina*

SANTA FE – Governor Bill Richardson and Attorney General Patricia Madrid today announced that they will work immediately with legislative leaders and consumer advocates to craft tough new legislation giving the state clear authority to investigate and punish companies found guilty of price gouging at the gas pump following natural disasters. Governor Richardson is also preparing a plan to help the most vulnerable elderly citizens cope with expected increases in home-heating costs

“I was shocked to learn that New Mexico does not have a law protecting consumers from price gouging,” Governor Bill Richardson. “The Attorney General and I will work with legislative leaders and reach out to consumer advocates and business leaders to create the toughest possible law for New Mexicans.”

“I stand ready to prosecute anyone who would take unfair advantage of consumers because of a national emergency or natural disaster, but the legislature must provide me the tools to do it,” said Attorney General Patricia Madrid.

Governor Richardson and Attorney General Madrid will meet next week with key legislative leaders to discuss the scope of the legislation, which would apply to all commodities, such as gasoline, natural gas and electricity.

“Most people will accept temporary price hikes as a result of a natural tragedy, like Hurricane Katrina,” Governor Richardson said. “But it’s getting more and more difficult

to justify 20-cent, 30-cent and in some cases 40-cent increases practically overnight. This is unacceptable, and frankly, lends credibility to accusations of price gouging. Nobody should profit from tragedy.”

Because New Mexico does not have an anti-price gouging law, the state lacks the flexibility to investigate allegations of price gouging and hold gas companies accountable.

“We need a law with real teeth to protect consumers,” Governor Richardson said.

At least 19 states have laws or regulations that prohibit price-gouging on petroleum products or other goods in the aftermath of disasters, according to the National Consumer Law Center in Boston and state attorneys general.

Governor Richardson also announced that he is preparing a plan to help the most vulnerable elderly citizens cope with expected increases in home-heating costs this winter. Details will be announced soon.

“I want to ease the fears of our most vulnerable citizens,” Governor Richardson said. “Senior citizens on fixed incomes shouldn’t have to worry about staying warm during the winter.”

Consumers with complaints about possible price gouging should contact the Governor’s Office (Phone: 505-476-2200; web: [governor.state.nm.us](http://governor.state.nm.us) under “e-mail the governor”) or the Attorney General’s Office at 1-800-678-1508.

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