# GASOLINE PRICES

## HOW TO TREAT PAIN AT THE PUMP

## WHAT DETERMINES THE PRICE OF GAS?

Gasoline is a supply and demand commodity. This means that the more people want and use it, the more it costs. Gas prices vary across cities and states for various reasons. A number of factors affect the retail price of gasoline, including increased international demand, access to supply and transportation costs, urban or rural location, the number of stations in an area, the average volume pumped, federal and state taxes, and concentration of oil companies and the presence of independent marketers. Maintenance or closure of fuel-producing refineries can also increase gas prices. A common reason for such closures and maintenance requirements is natural disasters that interfere with refinery operations.

## WHAT IS PRICE GOUGING?

There are two types of price gouging recognized in Kansas: unconscionable price gouging and profiteering from disaster. Unconscionable price gouging occurs when a consumer is charged a substantially higher price for an item or service that is readily available to that consumer for a much lower price. There is no bright line rule for when a price is excessive; however, the Kansas Consumer Protection Act indicates the price must "grossly exceed" prices charged in similar transactions. Merely charging higher prices than competitors is not illegal.

Disaster price gouging only occurs during or after a disaster. A disaster includes severe storm, tornado, earthquake, flood, or any extraordinary act. Typically, in a disaster, the President of the United States or the Kansas Governor will declare a state of emergency. Kansas law prohibits unjustifiably price of any necessary property or service, including gasoline, during a time of disaster.

## WHAT CAN THE ATTORNEY GENERAL DO?

The Attorney General's Office will investigate any instance of price gouging reported by Kansas consumers and prosecute those businesses found to be in violation of the law. There are factors affecting gas prices that are beyond the authority of the Kansas Attorney General, including federal and state regulation by other agencies. However, the Attorney General can act to ensure competition in the market, in instances including collusion, price-fixing and illegal price gouging.

## WHAT CAN I DO ABOUT RISING PRICES?

If you believe you have witnessed price gouging in Kansas, please contact the Attorney General's Consumer Protection Division at 785-296-3751 or 1-800-432-2310 or fill out a consumer complaint online at www.ag.ks.gov. The fuel industry is regulated at the federal level. We encourage all consumers to contact their U.S. Representative and Senators to express their concerns and opinions about rising gas prices.

IN YOUR CORNER KANSAS

Learn more at www.InYourCornerKansas.org
or call (800) 432-2310

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