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# HB25-1010: Prohibiting Price Gouging in the Sale of Necessities

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February 6, 2025

Thank you Chairwoman Ricks, and members of the committee. My name is Joshua Mantell, and I am the Director of Government Affairs at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

I am here to testify in support of HB-1010, Prohibiting Price Gouging in the Sale of Necessities. I want to thank Reps. Zokaie and Brown for their leadership in bringing this bill forward.

As everyone in this room knows, inflation hit Coloradans hard and caused real hardships for many families that were struggling to make ends meet. However, [research has shown](#) that while the original inflationary shock was likely due to supply shortages and external pressures to our economy, its persistence was, in some measure, due to corporate greed. In January of 2024, [Groundwork Collaborative](#), a nonprofit think tank “committed to advancing an economic vision for strong, broadly shared prosperity and true opportunity for all”, published a report that showed that in the second and third quarters of 2023, **corporate profits drove 53 percent of inflation**. In a true free market, we expect prices to reflect the price of the components of the product and the labor it takes to make it. When corporate profits are the overriding factor in the price of a good, the market has broken and consumers and everyday people are the ones that bear the brunt of the increase. This bill seeks to correct that imbalance and ensure that prices reflect the true cost.

This issue is more than just the Economics 101 lesson of markets and supply and demand. The importance is what happens to individuals when prices are sharply increased for no reason, and the larger shocks throughout the economy that price gouging triggers. For example, when prices of diapers or milk increase significantly, that might impact a family's ability to pay for child care or even a doctor's visit. That inability to pay would hurt the child care center and its workers, or not treating an illness could lead to lost work hours for the parents or worse doctor bills later. As an organization that works on consumer protection issues, these types of challenges can often lead to cycles of debt that impact people long after the initial challenge passes.

An economy works well with safeguards to ensure that consumers are not just pawns to be exploited, but that prices of goods are reflective of the actual market. This bill ensures that there are mechanisms to stop sharp increases in essential goods and keep Coloradans from being gouged. We urge a YES vote on HB-1010 and I am happy to answer any questions you may have.

Thank you.