

A Division of the New York Department of State

## WEATHERING A STORM AND REBUILDING:

### *Important Information for New York Consumers*

*New Yorkers are known for rallying together during a crisis, and for their resiliency when recovering from catastrophic events. Unfortunately, extreme weather events also present opportunities for unscrupulous actors to try and take advantage of consumers in their time of immediate need and distress. The New York State Department of State Division of Consumer Protection (“Division”) offers consumers this important guidance for consumers dealing with disaster recovery.*

### Rebuilding & Home Improvement Contractors

Whether you are engaged in a constant effort to protect your home from storm damage or in the process of rebuilding, the Division advises consumers to follow these tips when selecting and working with a home improvement contractor:

**Beware of Unsolicited Offers:** Be cautious when dealing with individuals who show up at your doorstep unannounced, or who contact you through telemarketing. **Avoid contractors who demand payment in cash or full payment up front**, before the work has begun.

**Check References:** Hiring the first contractor you come across is not a good idea. **Shop around. Get recommendations from people you know:** your friends, neighbors and colleagues. **Obtain local references** from the contractor, and **call those references** to check satisfaction.

**Licensing Requirements:** Contractors who do work in the City of Buffalo, New York City, and in Nassau, Suffolk, Putnam, Rockland and Westchester counties must be licensed by local authorities. **Check to see if your local county, city, town, village or hamlet licenses contractors** before signing a contract and before making any payments. If a license is required, then **make sure the contractor is licensed and demand to see their license.**

**Get Written Estimates:** **Get multiple written estimates if possible**, especially if it’s going to be a big job. Be sure the estimates are detailed, specific, and cover issues like the start date, cost of change orders, expected completion date and any requirements regarding a down payment.

**Get a Written Contract:** **Always insist on a written contract, and make sure to get a copy.** Do NOT agree to an oral contract. The contract should at a minimum, include: the project timeline; a specific description of the work and materials; and the total price and payment schedule. **Do NOT sign the contract until you have read it fully and clearly understand all the terms.**

**Get Proof of Insurance:** If a worker is injured, or damage is caused on your property, you could be held liable if the contractor does not have the proper insurance. **Demand the contractor provide you with proof of insurance and visually inspect the certificate.**



## Price Gouging

**“Price gouging”** can occur when the Governor declares a State of Emergency before, during and after an extreme weather event. A merchant is “price gouging” when they substantially raise prices on goods and services—charging an “unconscionably excessive price”—in an area covered by the Governor’s State of Emergency declaration. A merchant may not legally charge “unconscionably excessive prices” in the affected area for goods or services used primarily for personal, family or household purposes. Generally, an “unconscionably excessive price” exists when:

1. the price being charged by the seller during the extreme weather event is **grossly greater than the price charged immediately prior** to the onset of the extreme weather event by that same seller; or
2. the price being charged during the extreme weather event by one seller **grossly exceeds the price for the same or similar goods and services readily obtainable in the affected area** by other consumers.

**Price Gouging is Illegal in New York State under General Business Law § 396-r.**

### What are Some Examples of Price Gouging?

- A:** Hotels in the area within a Governor’s State of Emergency typically offer rooms in the price range of \$79 - \$159 per night during the spring season, including Hotel W. After the storm event, Hotel W increases its prices from \$119 per night to \$229 per night. This 90% increase in price affords Hotel W the opportunity of extreme profits under severe circumstances.
- B:** Hardware Store X sold 50lb bags of sand for \$25 prior to the storm. After the Governor declared a State of Emergency for lake flooding, Hardware Store X began selling the same bags of sand for \$50 a bag, double the price. The big box store 10 miles away continued selling bags of sand for \$25.
- C:** Gasoline Station Y and Gasoline Station Z, situated on either side of the highway entrance and exit ramps charge \$2.39 per gallon of regular gasoline. After the Governor’s State of Emergency declaration, Station Y increased their price to \$2.47 to reflect the distribution cost increases, and Station Z increased their price to \$3.39 per gallon, optimizing profits.

In the above examples, Hotel W, Hardware Store X and Station Z appear to be price gouging.

## Don’t Let the Scammers Get Away - File a Complaint

If you have experienced price gouging or problems with a home improvement contractor and can’t resolve it yourself, file a complaint by visiting [www.dos.ny.gov](http://www.dos.ny.gov) or calling 1-800-697-1220. When reporting, be prepared to provide details of the alleged price gouging or specific problem with the home improvement contractor. For example, for price gouging, please include the location of the merchant and any available proof of the excessive price(s), such as receipts or pictures.

The Division’s Consumer Assistance Unit will review the complaint, and if appropriate engage in voluntary mediation on behalf of the consumer, or refer the complaint to the Office of Attorney General to initiate an enforcement action. In either instance, the Division will keep the consumer informed of all actions taken on their behalf.