

Connecticut's "Shrinkflation" Legislation: Expanding State AG's Price Gouging Authority for Shrinking Product Sizes

[Paul L. Singer](#), [Abigail Stempson](#), [Beth Bolen Chun](#), [Andrea deLorimier](#)

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As we've [discussed previously](#), price gouging has been a focus for enforcers in the past few years, and 2025 is proving no different. In the past month alone, California Attorney General Rob Bonta [announced](#) that the California DOJ has opened active investigations into price gouging in the aftermath of the Los Angeles fires (and Los Angeles county [increased its penalty](#) for price gouging to \$50,000 per violation), New York Attorney General Letitia James issued a [warning](#) against price gouging for eggs and poultry amid the national bird flu outbreak, and Arkansas Attorney General Tim Griffin [sued](#) Capital City Tree Service for price gouging allegations stemming from severe weather events in the state. This week, Connecticut Attorney General William Tong joined the fray by [proposing price gouging legislation](#) that, if passed, would put a novel spin on his state's continued fight against price gouging.

Connecticut's House Bill No. 6856 addresses "shrinkflation," which occurs when companies reduce the size of their products but maintain or raise prices. [According to Attorney General Tong](#), the amendment would require "suppliers to provide a clear and conspicuous notice for at least twelve months" when they reduce the "quantity, amount, weight or size of a product" but do not also reduce price. The proposed amendment applies only to suppliers of "eligible food products" (a defined term under the statute that includes things like baby formula, breads, cereals, dairy products, meats and fish, non-alcoholic beverages, seeds, and snacks) and excludes retailers and establishments, like restaurants, that "primarily sell food to the public for consumption."

If the amendment passes, Connecticut's price gouging statute would be the only one in the country to explicitly address shrinkflation. According to [reporting by the Connecticut Insider](#), some industry participants are concerned that the bill will increase prices by requiring businesses to create different labeling for products sold within the state of Connecticut. Attorney General Tong, on the other hand, testified that the legislation will keep consumers from "feeling deceived and like they are receiving less value for their hard-earned dollars."

Separate from shrinkflation, Attorney General Tong is also proposing three changes to Connecticut's existing price gouging statute that would expand the state's ability to bring enforcement actions.

First, the Connecticut AG currently has authority to enforce its state's price gouging statute only when the Governor of Connecticut or the President has issued an emergency declaration. The amendment, however, would permit the Connecticut AG to trigger the price gouging statute by issuing a notice of an "abnormal economic disruption," which is defined as:

A significant disruption in the production, supply, distribution, wholesale, or availability of a consumer necessity occurs when (A) it is caused by a natural or man-made disaster or emergency, regardless of location, and (B) it prevents ordinary competitive market forces from functioning normally. The price gouging statute is only activated when the Governor or President issues an emergency declaration.

The change, if it were to become effective, would make Connecticut's price gouging statute one of only a few state price gouging statutes that are triggered by something other than a declared emergency (e.g., Connecticut would join the likes of Maine and New York, which similarly permit their AGs to combat price gouging during "abnormal market disruptions" and "abnormal disruptions of the market," respectively. More on state variations in price gouging laws [here](#)).

Second, Connecticut's current price gouging law prohibits *any* increase in price that exceeds the product or service's price in the ordinary course of business. Although some states prohibit price increases that exceed a certain percentage of the product's ordinary price, AG Tong's amendment instead would prohibit price increases that are "unconscionably excessive." This change would move Connecticut's price gouging law closer to ones in other states, like Texas, which make it unlawful to charge "exorbitant" or "excessive" prices for certain goods during emergencies.

Third, while the current law applies only to retailers, the amendment would allow the Connecticut AG to initiate investigations and enforcement actions against other parties in the supply chain, such as manufacturers and wholesalers. This change brings Connecticut more in line with other states on the issue.

Violations of both the shrinkflation and general price gouging provisions would be deemed unfair or deceptive trade practices under Connecticut law.

Connecticut's proposed amendments highlight that state attorneys general are continuing to aggressively combat price gouging, particularly given recent inflation trends. Businesses should review price gouging laws in the states in which they operate and assess compliance. Moreover, businesses should watch for the passage of Connecticut's proposed shrinkflation legislation to determine whether packaging modifications will be necessary for products sold in the state, and monitor whether other states move to pass similar legislation.