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FOR IMMEDIATE RELEASE

March 4, 2024

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CONSUMER ALERT: Attorney General Griffin Provides Guidance on Potential Surges in Lodging Rates for Solar Eclipse

Griffin: 'Private businesses raising rates to match market demand does not constitute price gouging'

LITTLE ROCK – With the start of Consumer Protection Week and the April 8 solar eclipse's path of totality set to encompass a large portion of Arkansas, Attorney General Tim Griffin issued the following alert to consumers about expected price hikes, particularly for overnight lodging, around the eclipse:

“With the path of totality for the April 8 solar eclipse passing through Arkansas, many businesses are eager to capitalize on the boost in tourism that Arkansas will receive. In many cases that will mean temporary increases in prices, especially for lodging. Private businesses raising rates to match market demand does not constitute price gouging. That does not, however, mean that companies can back out of existing agreements to take advantage of rates brought about by higher demand.

“If you have existing reservations for hotels, event venues or short-term rentals on the day of the eclipse, the business may not cancel the reservation without cause in the hopes of selling the room at a higher rate, nor can they raise the rate after you have confirmed the reservation. Even if the business refunds the deposit, the cancellation may violate consumer protection laws, and

the Attorney General may pursue claims for violation of the Arkansas Deceptive Trade Practices Act, including fines of up to \$10,000. Additionally, businesses working together to raise prices may be violating the Arkansas Unfair Practices Act.

“The eclipse will be a unique opportunity for many Arkansas businesses to benefit from a large influx of tourists coming to our state, but businesses still have to operate within the law.”

Here are some helpful tips to help you enjoy the eclipse to the fullest:

- Carefully read the terms of reservation agreements you sign; these are binding contracts.
- Know the cancellation policy of your reservation—who can cancel, for what reason(s), and what notice is required?
- Be sure to take note of all fees associated with the reservation.
- Keep all documents associated with the transaction, including contracts, receipts, the written cancellation policy, and other documentation.

For more information or to file a Consumer Complaint, please visit the Office of Attorney General website www.ArkansasAG.gov or call (800) 482-8982.

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