

LOS ANGELES COUNTY CONSUMER & BUSINESS AFFAIRS

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NOTICE TO LANDLORDS PRICE GOUGING IS A CRIME

On January 7, 2025, California Governor Gavin Newsom declared a state of emergency due to the Southern California Wildfires. As a result, price gouging protections are currently in effect. These protections prohibit excessive price increases on rental housing during an emergency. These rental housing anti-price gouging protections will remain in effect until **March 8, 2025**, with potential extensions by the State or County. <u>Executive Order N-9-25</u>

Price Gouging Protections

Under California Penal Code Section 396 and the Los Angeles County Code Chapter 8.09, during a state of emergency landlords are prohibited from:

- Increasing rental housing prices by more than 10% of the previously charged or advertised price following a declaration of emergency
- For rental housing not previously rented or advertised, the price cannot exceed 160% of the fair market value established by the U.S. Department of Housing and Urban Development (HUD)
- For short-term rental housing, such as Airbnb or VRBO listings, the daily price may not increase by more than 10% following a declaration of emergency. If such properties were previously advertised or rented on a daily basis but are offered on a full-time or monthly basis after the declaration, the rental price cannot exceed 160% of the fair market value as established by the U.S. Department of Housing and Urban Development

A landlord may <u>not</u> justify an unlawful price increase by offering additional services, such as gardening, cleaning, or utilities, or by offering a shorter lease term. Similarly, a landlord <u>cannot</u> charge a higher rate simply because an insurance company and/or tenant is willing to pay it.

Violations may result in filing of criminal or civil charges including fines up to \$10,000, jail time, or both.

Additionally, the law considers it a separate misdemeanor for a landlord to evict a tenant and re-rent the property at a rate prohibited by anti-price gouging statutes. Furthermore, State, County, and local tenant protections remain in place and in some instances may be more restrictive/protective than applicable price gouging protections.

We urge you to review your rental listings and ensure they are in full compliance. We cannot provide you with legal advice. If you have questions that are not answered by reviewing the order and statute, we recommend that you contact your own attorney. Thank you for your attention to these important matters and for supporting fair rental practices during this time of emergency. For your reference, you can also find general information regarding price gouging during emergencies at: https://dcba.lacounty.gov/pricegouging/.

Sincerely,

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Rafael Carbajal, Director

