

MOTION BY SUPERVISOR LINDSEY P. HORVATH

March 4, 2025

**Extending Price Gouging Protections for Housing**

The January 2025 firestorms destroyed homes, business, and entire communities, and the effects of this devastation reverberated throughout Los Angeles County (County). Tens of thousands of residents remain displaced, continuing to exacerbate the region’s already difficult and unaffordable housing market.

The Declaration of a State of Emergency on January 7, 2025, activated price gouging protections, prohibiting price increases beyond 10% of pre-disaster prices for goods and services, including housing. Despite this, there have been widespread reports of price gouging in the housing market, including hotels, motels, and short- and longer-term rentals throughout the County. Thousands of complaints have been filed with multiple agencies including the California Department of Justice (CalDOJ) and with the County’s Department of Business and Consumers Affairs (DCBA). Enforcement agencies have sent hundreds of warning letters and have started filing criminal cases. The Board of Supervisors (Board) acted to further protect Los Angeles consumers and renters by

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increasing fines for price gouging violations up to \$50,000 and providing more resources to DCBA.<sup>1</sup>

Current law allows the extension of price gouging prohibitions every 30 days if deemed necessary to protect the lives, property, or welfare of the citizens. Governor Newsom extended the price-gouging prohibitions of Penal Code section 396, subdivisions (b) and (c) relating to goods and services, including rental housing, and repair and reconstruction services, through January 7, 2026.<sup>2</sup> The Governor also removed the one-year limitation in the definition of "rental housing" and, consequently, Penal Code section 396(b)'s prohibition against rental housing price gouging applies to all rental properties regardless of rental term length.<sup>3</sup> The Governor further extended until March 8, 2025, provisions of Penal Code section 396, subdivision (d), prohibiting price gouging in hotel or motel rates in times of emergency, subdivision (e), prohibiting price gouging for rental housing in times of emergency, and subdivision (f), prohibiting eviction of a residential tenant and re-letting the unit at a higher price.<sup>4</sup> While the Board of Supervisors voted to support amending state law<sup>5</sup> to increase the price gouging time period to the duration of the declared emergency, AB 380 (Gonzalez) is still pending.

The County also has enacted local price gouging prohibitions as permitted by State law that can be found in County Code Chapter 8.09, which are also subject to State law extension requirements.

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<sup>1</sup> Item 51-B, February 4, 2025, <https://file.lacounty.gov/SDSInter/bos/supdocs/200024.pdf>

<sup>2</sup> Executive Order N-4-25, EO-N-4-25-Rebuilding-Final-signed.pdf

<sup>3</sup> Executive Order N-17-25, [EO-N-17-25.pdf](#)

<sup>4</sup> Executive Order N-9-25, 1.16.2025-Temp-Housing-EO-N-9-25.pdf

<sup>5</sup> Item 10, February 18, 2025, <https://file.lacounty.gov/SDSInter/bos/supdocs/200492.pdf>

With some of these critical price gouging protections about to expire, it is necessary that the Board of Supervisors act to continue to protect residents from unscrupulous and excessive housing price increases during this ongoing emergency.

**I, THEREFORE, MOVE** that the Board of Supervisors, effective March 9, 2025, extend for thirty (30) days, to and until April 8, 2025, the protections of California Penal Code section 396, subdivisions (d), (e), and (f), to limit price-gouging in the rental market and in hotels and motels and to continue its protections against eviction and the protections of County Code Chapter 8.09, pursuant to Penal Code section 396(g). The Board finds that this extension is necessary because complaints of price gouging are continuing, and have been increasing, and such an extension will protect the lives, property, and welfare of the residents of the County.

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