

MOTION BY SUPERVISOR LINDSEY P. HORVATH

March 17, 2026

**Extending Price Gouging Protections**

The Declaration of a State of Emergency on January 7, 2025, as a result of the tragic wildfires activated price gouging protections under State and local law, prohibiting price increases beyond 10% of pre-disaster prices for goods and services, including housing. Subsequent State Executive Orders<sup>1</sup> and Board of Supervisors<sup>2</sup> (Board) actions have extended price gouging protections due to the declared state and local emergencies.

The protections are set to expire after March 29, 2026. With limited stated exceptions, in a declared state or local emergency, California Penal Code section 396 subdivisions (a) and (b) prohibit price gouging relating to goods and services, including reconstruction and emergency goods and services, subdivision (d) prohibits price gouging in hotel or motel rates, subdivision (e) prohibits price gouging for rental housing, and

<sup>1</sup> Executive Orders [N-4-25](#), [N-9-25](#), [N-17-25](#), [N-23-25](#), and [N-1-26](#)

<sup>2</sup> [Item 29-B, March 4, 2025](#); [Item 7, June 24, 2025](#); [Item 11, July 29, 2025](#); [Item 15, August 12, 2025](#); [Item 13, September 16, 2025](#); [Item 6, October 21, 2025](#); [Item 7-A, November 25, 2025](#), [Item 61-E, December 9, 2025](#), [Item 53-B, January 13, 2026](#); [Item 2, February 24, 2026](#)

**MOTION**

MITCHELL \_\_\_\_\_

HORVATH \_\_\_\_\_

HAHN \_\_\_\_\_

BARGER \_\_\_\_\_

SOLIS \_\_\_\_\_

subdivision (f) prohibits eviction of a residential tenant and re-letting the unit at a higher price.

California Penal Code section 396 subdivision (g) provides that these prohibitions may be extended for additional periods by the County if deemed necessary to protect the lives, property, or welfare of the citizens. It also provides that when the County extends the declared emergency, it can also authorize specified price increases that exceed the amount that would be permissible under Penal Code section 396. In its October 21, 2025 action the Board of Supervisors authorized a specified price increase of the rental price for housing not rented and not offered for rent within one year prior to the proclamation or declaration of emergency as defined in Penal Code section 396 subdivision (j)(11)(B) from 160 percent of the fair market rent established by the U.S. Department of Housing and Urban Development (HUD) to 200 percent to more accurately reflect rental market conditions in Los Angeles County.

These price gouging protections continue to be necessary as construction and rebuilding continue, and as thousands of people remain displaced. Families which signed short-term leases could face drastic price increases of 50% or more without further price gouging protection. A 2023 Study from the Brookings Institute looking at 20 years of data across several states, found that in disaster impacted areas, “disasters significantly increased rents, lasting for several years.”<sup>3</sup>

Rent prices in the areas adjacent to fires have climbed faster than the rest of the County.<sup>4</sup> As insurance money runs out for impacted households, many are still living in

---

<sup>3</sup> [“Disasters and the Rental Housing Community: Setting a Research and Policy Agenda,”](#) The Brookings Institute, October 2023

<sup>4</sup> [“In areas near January’s fires, rent is climbing faster than in rest of county,”](#) Los Angeles Times, 5/30/25

temporary housing. Every three months the Department of Angels conducts a survey of individuals who lived in fire impacted communities. The most recent survey was conducted between November 18 and December 2, 2025, and included 2,443 adults.<sup>5</sup> Similar to the three prior surveys, the report showed that fire survivors continue to struggle and remain in temporary housing. The survey found that 74% of those living in Pacific Palisades are living in temporary housing and that 65% of those living in Altadena are in temporary housing, which are essentially the same rates from the September survey.

It is critical to continue to have price gouging restrictions while these households remain in temporary housing, so that their rental rates are not increased by significant amounts. The most recent survey also found that more and more survivors are starting to run out of financial displacement coverage from their insurance companies, which reinforces the need to continue price gouging restrictions. Lastly, the survey showed that concerns about the long-term financial impact to households, paying for temporary housing, and finding local affordable housing were some of the critical concerns of survivors.

Recently, the hotel and motel industry have expressed concerns about hotel and motel room rates continuing to be included in the price gouging extensions. Many hotels have interpreted the price gouging restrictions to mean they cannot adjust their rates more than 10% per night per room of the rate they were charging in January 2025. However, hotel room rates can vary widely based on the time of the year and consumer demand. It is important to allow hotels to adjust their room rates seasonally as demand increases, as well as during special events such as the World Cup, as this is an important tax

---

<sup>5</sup> [“Community Voices: LA Fire Recovery Report”](#) January 2026

generator for the LA Region. While many fire-displaced families remain in temporary housing, including short-term apartment and house rentals, few families remain in hotels and motels. In the most recent Department of Angels report, only 1% of respondents from both Altadena and Palisades fires indicated they are currently unhoused or housing insecure which included living in temporary motels. For these reasons, subsection (d), which is related to hotels and motels, has been removed from this price gouging extension and will not be renewed.

The Board recently approved an urgency ordinance to strengthen enforcement of its price gouging laws.<sup>6</sup> The Department of Consumer and Business Affairs (DCBA) has successfully enforced price gouging complaints which led to tens of thousands of dollars in restitution to impacted tenants.

The County also has enacted local price gouging prohibitions as permitted by State law in County Code Chapter 8.09, which are also subject to State law extension requirements. With these critical price gouging protections about to expire, it is necessary that the Board continue to protect residents from unscrupulous and excessive price increases during this ongoing emergency.

**I, THEREFORE, MOVE** that the Board of Supervisors, effective March 29, 2026:

1. Extend for thirty (30) days, through and including April 28, 2026, the protections of California Penal Code section 396, subdivisions (b), (c), (e), and (f), to limit price-gouging for applicable goods and services, and in the housing rental market including short-term rentals and to continue the protections of County Code Chapter 8.09, pursuant to Penal Code section

---

<sup>6</sup> [Item 54, September 2, 2025](#)

396 subdivision (g). The Board finds that this extension is necessary because of complaints of price gouging which are continuing, and have been increasing, and that such an extension will protect the lives, property, and/or welfare of the residents of the County; and

2. Authorize a specified price increase of the rental price for housing not rented and not offered for rent within one year prior to the proclamation or declaration of emergency as defined in Penal Code section 396 subdivision (j)(11)(B) as follows: For Los Angeles County, increase the rental price formula for such housing from 160 percent of the fair market rent established by the U.S. Department of Housing and Urban Development (HUD) to 200 percent to more accurately reflect rental market conditions in Los Angeles County. All other provisions of Penal Code section 396 subdivision (j)(11)(B) shall remain unchanged.

# # #

LH:jg/cl