

MOTION BY SUPERVISOR LINDSEY P. HORVATH

May 19, 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 Orders¹ and Board of Supervisors² (Board) actions have extended price gouging protections due to the declared state and local emergencies.

The protections are set to expire after May 28, 2026, and there is no Board meeting scheduled on May 26, 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

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

² [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](#); [Item 22, March 17, 2026](#); [Item 66-F, April 14, 2026](#)

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and services, subdivision (e) prohibits price gouging for rental housing, and 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 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.”³

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

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

⁴ [“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 March 30, 2026 and April 10, 2026 and included 2,158 adults.⁵ Similar to the three prior surveys, the report showed that fire survivors continue to struggle and remain in temporary housing. While the number have begun to decline, the survey found that 66% of those living in Pacific Palisades are living in temporary housing and that 64% of those living in Altadena are in temporary housing. For those who suffered a total loss of their homes, less than 1% have returned to their home.

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 April survey also found another increase in survivors who have run out of financial displacement coverage from their insurance companies, which reinforces the need to continue price gouging restrictions, to protect these homeowners from drastic price increases when they have run out of insurance funds. Lastly, the survey showed that concerns about the long-term financial impact to households, paying for temporary housing, and finding local affordable housing were among the top concerns of survivors.

Beginning in March, the Board did not renew subsection (d), which is related to hotels and motels. One of the key reasons for this decision was information from the January Department of Angels report, showing that only 1% of respondents from both Altadena and Palisades fires indicated they are currently unhoused or housing insecure which included living in temporary motels. At the March 17, 2026, meeting, the Board discussed what information and factors they should use in future decision making to

⁵ ["Community Voices: LA Fire Recovery Report"](#) April 2026

narrow and eventually end the remaining price gouging protections. The Department of Consumer and Business Affairs (DCBA) committed to returning to the Board with indicators or milestones, and is currently collaborating with partners working on wildfire recovery efforts including other internal County departments for feedback. Some potential factors may include: information on status of rebuilding permits; data on insurance payout information; monitoring of rental market information; case complaint rates; and resident displacement data including the Department of Angels reports. This motion directs DCBA to present at the May 28, 2026 Homelessness & Housing Cluster meeting.

The Board also recently approved an urgency ordinance to strengthen enforcement of its price gouging laws.⁶ The 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 May 29, 2026:

1. Extend for thirty (30) days, through and including June 27, 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

⁶ [Item 54, September 2, 2025](#)

protections of County Code Chapter 8.09, pursuant to Penal Code section 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.
3. Direct the Department Consumer and Business Affairs to provide to the Board via written report or verbal presentation to the Homelessness and Housing Cluster on May 28, 2026, indicators or milestones or other information or data that can be used to evaluate the continuing need for price gouging protections for future renewals.

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