

Gov. Brown extends rent limitations through December as a result of last year's wildfires

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RENT INCREASES REMAIN LIMITED TO 10 PERCENT

Gov. Jerry Brown has again extended states of emergency in areas of both Northern and Southern California affected by last fall's wildfires.

The extension keeps in effect the state's anti-price gouging law, which bans rent increases exceeding 10 percent during states of emergency.

In Northern California, states of emergency triggered by October's wildfires were set to expire this Wednesday, April 18. Brown, however, extended his emergency declaration to Dec. 4 for Lake, Mendocino, Napa, Solano, and Sonoma counties.

In Southern California, states of emergency from last year's wildfires were set to expire June 4 in Santa Barbara and Ventura counties. Brown, however, extended the declaration in these counties to Dec. 4.

In San Diego County, the state of emergency due to the Lilac Fire remains in effect through June 7.

The expiration dates for all the fire-related states of emergency listed above can be further extended by the governor or local officials.

When the states of emergency were first declared in fall and winter 2017, they triggered the state's anti-price gouging law. This law prohibits raising the price of many consumer goods and services, including that of rental housing, by more than 10 percent above pre-emergency levels after an emergency has been declared. For more information on this law, read [CAA's Industry Insight: Anti-Price Gouging Laws](http://caanet.org/ka/anti-price-gouging-laws-states-emergency/)

Although the states of emergency have been extended in specific counties, California's attorney general has interpreted the price-gouging law to apply anywhere in the state with an increased consumer demand as a result of the emergencies. In other words, the ban on price increases that exceed 10 percent is not limited to the counties for which a state of emergency has been declared.

Since there is no clear standard for determining the places with an increased consumer demand, CAA recommends property owners and managers seek the advice of an attorney before raising prices by more than 10 percent in counties not specifically named in Brown's emergency declarations.

Just this Monday, prosecutors charged a woman with three misdemeanor counts of price gouging in the city of Novato, part of Marin County, which was not included in Brown's emergency declaration. Following the Tubbs Fire, prosecutors say, the defendant increased the rent on the home from \$5,000 per month to \$9,000 per month.

"This case shows that property owners outside of counties named in the governor's declaration can still be subject to the price-gouging restrictions and can face criminal charges if they don't comply," said Whitney Prout, policy and compliance counsel for CAA.

Anyone convicted of violating the statewide anti-price-gouging law can face a year in county jail, a fine of up to \$10,000, or both, as well as civil penalties. Local ordinances may impose additional penalties.

ONLINE RESOURCES

- **CAA Wildfire Resource Center**
 >> <http://caanet.org/kaa-wildfire-resource-center/>
- **Industry Insight: Anti-Price Gouging Laws – States of Emergency** <http://caanet.org/ka/anti-price-gouging-laws-states-emergency/>
- **Attorney General's Office: FAQs on Price Gouging** <https://oag.ca.gov/consumers/pricegouging>