



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

**SB-36 Price gouging: state of emergency.** (2025-2026)

SHARE THIS:



Date Published: 09/13/2025 09:00 PM

ENROLLED SEPTEMBER 13, 2025  
PASSED IN SENATE SEPTEMBER 11, 2025  
PASSED IN ASSEMBLY SEPTEMBER 09, 2025  
AMENDED IN ASSEMBLY SEPTEMBER 05, 2025  
AMENDED IN ASSEMBLY SEPTEMBER 02, 2025  
AMENDED IN ASSEMBLY JULY 17, 2025  
AMENDED IN ASSEMBLY JUNE 25, 2025  
AMENDED IN SENATE MAY 23, 2025  
AMENDED IN SENATE FEBRUARY 24, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**SENATE BILL**

**NO. 36**

**Introduced by Senators Umberg and Smallwood-Cuevas**  
**(Principal coauthors: Senators Cervantes, Cortese, Gonzalez, Hurtado, Menjivar, Pérez, Reyes, and Wahab)**  
**(Coauthor: Senator Richardson)**

**December 03, 2024**

An act to add Section 17206.3 to the Business and Professions Code, to amend Sections 1770 and 3345 of, and to add Title 1.4E (commencing with Section 1749.9) to Part 4 of Division 3 of, the Civil Code, and to amend Section 396 of the Penal Code, relating to price gouging.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 36, Umberg. Price gouging: state of emergency.

(1) Existing law, the Unfair Competition Law, makes various practices unlawful and provides that a person who engages, has engaged, or proposes to engage in unfair competition is liable for a civil penalty, as specified.

This bill would additionally make a person who violates those provisions, if the act or acts of unfair competition are perpetrated against one or more persons displaced due to a state of emergency or local emergency, as defined, at the time the violation occurred, liable for a civil penalty not to exceed \$2,500 for each violation, as specified.

(2) Existing law, the Consumers Legal Remedies Act, makes unlawful certain unfair methods of competition and certain unfair or deceptive acts or practices undertaken by a person in a transaction intended to result or that results in the sale or lease of goods or services to a consumer. These include, among others, making false or misleading statements of fact concerning reasons for, existence of, or amounts of, price reductions.

This bill would additionally make it unlawful under those provisions to, among other things, price gouge during a state of emergency or local emergency.

(3) Existing law requires the trier of fact, in a civil action to redress unfair or deceptive acts or practices or unfair competition brought by, on behalf of, or for the benefit of senior citizens, disabled persons, or veterans, to consider specified factors in determining the amount of a discretionary fine, penalty, or remedy to be imposed. Existing law authorizes the trier of fact, upon a finding of one of those factors, to impose a fine, penalty, or other remedy in an amount up to 3 times greater than the amount authorized by statute or the amount the trier of fact would impose in the absence of the affirmative finding.

This bill would make those provisions applicable to persons displaced due to a state of emergency or a local emergency, as defined, at the time the violation occurred.

(4) Under existing law, upon the proclamation of a state of emergency by the President of the United States or the Governor, or upon the declaration of a local emergency by the executive officer of any county, city, or city and county, and for 30 days or 180 days, as specified, following the proclamation or declaration of emergency, it is a misdemeanor for a person, contractor, business, or other entity to sell or offer to sell certain goods or services for a price of more than 10% greater than the price charged by that person immediately prior to the proclamation or declaration of emergency. Existing law authorizes the extension of these prohibitions by, among others, the Governor, if deemed necessary to protect the lives, property, or welfare of the citizens. Existing law defines "housing" as any rental housing with an initial lease term of no longer than one year.

This bill would specify that an extension authorized by the Governor may be terminated by a concurrent resolution of the Legislature declaring it at an end. The bill would require a housing listing platform, during the period of 30 days following a proclamation of a state emergency or a declaration of a local emergency, as specified, to, among other things, remove a listing when notified by local, regional, or state law enforcement agencies that the price for a listing made available on the platform violates the price gouging provisions and establish and maintain a policy informing housing providers that listings are prohibited from violating the above-described provisions, as specified.

This bill would define "housing listing platform" for these purposes as an internet website, application, or other similar centralized platform that acts as an intermediary between a consumer and another person which allows another person to list the availability of housing, lodging, or units for sale or for rent to a consumer. The bill would remove the one-year lease term limit from the definition of "housing."

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

---

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 17206.3 is added to the Business and Professions Code, to read:

**17206.3.** (a) (1) In addition to any liability for a civil penalty pursuant to Section 17206, a person who violates this chapter, if the act or acts of unfair competition are perpetrated against one or more persons displaced due to a state of emergency or local emergency at the time the violation occurred, shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which may be assessed and recovered in a civil action as prescribed in Section 17206.

(2) Any civil penalty shall be paid as prescribed by subdivisions (b) and (c) of Section 17206.

(b) As used in this section, "state of emergency" and "local emergency" have the same meaning as in Section 396 of the Penal Code.

**SEC. 2.** Title 1.4E (commencing with Section 1749.9) is added to Part 4 of Division 3 of the Civil Code, to read:

### **TITLE 1.4E. HOUSING LISTING PLATFORMS**

**1749.9.** (a) Upon the proclamation of a state of emergency declared by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body vested with authority to make that declaration in any county, city, or city and county, a housing listing platform shall, during the period of 30 days following the proclamation or declaration, do all of the following:

(1) Remove a listing when notified by local, regional, or state law enforcement agencies that the price for the listing made available on the housing listing platform violates Section 396 of the Penal Code.

(2) Establish and maintain a policy informing housing providers that listings are prohibited from violating Section 396 of the Penal Code, and that failure to comply may include consequences including, but not limited to, suspension or termination of the housing provider's account.

(3) Establish and maintain a policy informing persons searching for rental housing that listings are prohibited from violating Section 396 of the Penal Code, and how to report listings that they believe are in violation of the law to the appropriate law enforcement agencies.

(4) Provide a mechanism on the housing listing platform that allows any individual to notify the housing listing platform that a person may have violated Section 396 of the Penal Code.

(5) Provide means, including a link to a dedicated web page, online portal, or email address on the housing listing platform, by which law enforcement can submit law enforcement requests, including warrants, subpoenas, and other legal processes, and related timelines for response.

(6) Maintain internal written policies and systems to comply with the requirements of this section and to respond to law enforcement requests related to price gouging.

(b) The policies required by paragraphs (2) and (3), and the mechanism required by paragraph (4), of subdivision (a) shall be publicly posted and readily accessible to users.

(c) For purposes of this section, both of the following definitions apply:

(1) "Housing listing platform" means an internet website, application, or other similar centralized platform that acts as an intermediary between a consumer and another person which allows another person to list the availability of housing, lodging, or units for sale or for rent to a consumer.

(2) "State of emergency" and "local emergency" have the same meaning as in Section 396 of the Penal Code.

**SEC. 3.** Section 1770 of the Civil Code is amended to read:

**1770.** (a) The unfair methods of competition and unfair or deceptive acts or practices listed in this subdivision undertaken by any person in a transaction intended to result or that results in the sale or lease of goods or services to any consumer are unlawful:

(1) Passing off goods or services as those of another.

(2) Misrepresenting the source, sponsorship, approval, or certification of goods or services.

(3) Misrepresenting the affiliation, connection, or association with, or certification by, another.

(4) Using deceptive representations or designations of geographic origin in connection with goods or services.

(5) Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have.

(6) Representing that goods are original or new if they have deteriorated unreasonably or are altered, reconditioned, reclaimed, used, or secondhand.

(7) Representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another.

(8) Disparaging the goods, services, or business of another by false or misleading representation of fact.

(9) Advertising goods or services with intent not to sell them as advertised.

(10) Advertising goods or services with intent not to supply reasonably expectable demand, unless the advertisement discloses a limitation of quantity.

(11) Advertising furniture without clearly indicating that it is unassembled if that is the case.

(12) Advertising the price of unassembled furniture without clearly indicating the assembled price of that furniture if the same furniture is available assembled from the seller.

(13) Making false or misleading statements of fact concerning reasons for, existence of, or amounts of, price reductions.

(14) Representing that a transaction confers or involves rights, remedies, or obligations that it does not have or involve, or that are prohibited by law.

(15) Representing that a part, replacement, or repair service is needed when it is not.

(16) Representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not.

(17) Representing that the consumer will receive a rebate, discount, or other economic benefit, if the earning of the benefit is contingent on an event to occur subsequent to the consummation of the transaction.

(18) Misrepresenting the authority of a salesperson, representative, or agent to negotiate the final terms of a transaction with a consumer.

(19) Inserting an unconscionable provision in the contract.

(20) Advertising that a product is being offered at a specific price plus a specific percentage of that price unless (A) the total price is set forth in the advertisement, which may include, but is not limited to, shelf tags, displays, and media advertising, in a size larger than any other price in that advertisement, and (B) the specific price plus a specific percentage of that price represents a markup from the seller's costs or from the wholesale price of the product. This subdivision shall not apply to in-store advertising by businesses that are open only to members or cooperative organizations organized pursuant to Division 3 (commencing with Section 12000) of Title 1 of the Corporations Code if more than 50 percent of purchases are made at the specific price set forth in the advertisement.

(21) Selling or leasing goods in violation of Chapter 4 (commencing with Section 1797.8) of Title 1.7.

(22) (A) Disseminating an unsolicited prerecorded message by telephone without an unrecorded, natural voice first informing the person answering the telephone of the name of the caller or the organization being represented, and either the address or the telephone number of the caller, and without obtaining the consent of that person to listen to the prerecorded message.

(B) This subdivision does not apply to a message disseminated to a business associate, customer, or other person having an established relationship with the person or organization making the call, to a call for the purpose of collecting an existing obligation, or to any call generated at the request of the recipient.

(23) (A) The home solicitation, as defined in subdivision (h) of Section 1761, of a consumer who is a senior citizen where a loan or assessment is made encumbering the primary residence of that consumer for purposes of paying for home improvements and where the transaction is part of a pattern or practice in violation of any of the following:

(i) Subsection (h) or (i) of Section 1639 of Title 15 of the United States Code.

(ii) Paragraph (1), (2), or (4) of subdivision (a) of Section 226.34 of Title 12 of the Code of Federal Regulations.

(iii) Section 22684, 22685, 22686, or 22687 of the Financial Code.

(iv) Section 5898.16, 5898.17, 5913, 5922, 5923, 5924, 5925, 5926, or 5940 of the Streets and Highways Code.

(B) A third party shall not be liable under this subdivision unless (i) there was an agency relationship between the party who engaged in home solicitation and the third party, or (ii) the third party had actual knowledge of, or participated in, the unfair or deceptive transaction. A third party who is a holder in due course under a home solicitation transaction shall not be liable under this subdivision.

(24) (A) Charging or receiving an unreasonable fee to prepare, aid, or advise any prospective applicant, applicant, or recipient in the procurement, maintenance, or securing of public social services.

(B) For purposes of this paragraph:

(i) "Public social services" means those activities and functions of state and local government administered or supervised by the State Department of Health Care Services, the State Department of Public Health, or the State Department of Social Services, and involved in providing aid or services, or both, including health care services, and medical assistance, to those persons who, because of their economic circumstances or social condition, are in need of that aid or those services and may benefit from them.

(ii) "Public social services" also includes activities and functions administered or supervised by the United States Department of Veterans Affairs or the California Department of Veterans Affairs involved in providing aid or services, or

both, to veterans, including pension benefits.

(iii) "Unreasonable fee" means a fee that is exorbitant and disproportionate to the services performed. Factors to be considered, if appropriate, in determining the reasonableness of a fee, are based on the circumstances existing at the time of the service and shall include, but not be limited to, all of the following:

- (I) The time and effort required.
- (II) The novelty and difficulty of the services.
- (III) The skill required to perform the services.
- (IV) The nature and length of the professional relationship.
- (V) The experience, reputation, and ability of the person providing the services.

(C) This paragraph shall not apply to attorneys licensed to practice law in California, who are subject to the California Rules of Professional Conduct and to the mandatory fee arbitration provisions of Article 13 (commencing with Section 6200) of Chapter 4 of Division 3 of the Business and Professions Code, when the fees charged or received are for providing representation in administrative agency appeal proceedings or court proceedings for purposes of procuring, maintaining, or securing public social services on behalf of a person or group of persons.

(25) (A) Advertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements that does not include the following statement in the same type size and font as the term "veteran" or any variation of that term:

(i) "I am not authorized to file an initial application for Veterans' Aid and Attendance benefits on your behalf, or to represent you before the Board of Veterans' Appeals within the United States Department of Veterans Affairs in any proceeding on any matter, including an application for those benefits. It would be illegal for me to accept a fee for preparing that application on your behalf." The requirements of this clause do not apply to a person licensed to act as an agent or attorney in proceedings before the Agency of Original Jurisdiction and the Board of Veterans' Appeals within the United States Department of Veterans Affairs when that person is offering those services at the advertised event.

(ii) The statement in clause (i) shall also be disseminated, both orally and in writing, at the beginning of any event, presentation, seminar, workshop, or public gathering regarding veterans' benefits or entitlements.

(B) Advertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements that is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the California Department of Veterans Affairs, or any other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States, or any of their auxiliaries that does not include the following statement, in the same type size and font as the term "veteran" or the variation of that term:

"This event is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the California Department of Veterans Affairs, or any other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States, or any of their auxiliaries. None of the insurance products promoted at this sales event are endorsed by those organizations, all of which offer free advice to veterans about how to qualify and apply for benefits."

(i) The statement in this subparagraph shall be disseminated, both orally and in writing, at the beginning of any event, presentation, seminar, workshop, or public gathering regarding veterans' benefits or entitlements.

(ii) The requirements of this subparagraph shall not apply in a case where the United States Department of Veterans Affairs, the California Department of Veterans Affairs, or other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States, or any of their auxiliaries have granted written permission to the advertiser or promoter for the use of its name, symbol, or insignia to advertise or promote the event, presentation, seminar, workshop, or other public gathering.

(26) Advertising, offering for sale, or selling a financial product that is illegal under state or federal law, including any cash payment for the assignment to a third party of the consumer's right to receive future pension or veteran's benefits.

(27) Representing that a product is made in California by using a Made in California label created pursuant to Section 12098.10 of the Government Code, unless the product complies with Section 12098.10 of the Government Code.

(28) (A) Failing to include either of the following in a solicitation by a covered person, or an entity acting on behalf of a covered person, to a consumer for a consumer financial product or service:

(i) The name of the covered person, and, if applicable, the entity acting on behalf of the covered person, and relevant contact information, including a mailing address and telephone number.

(ii) (I) The following disclosure statement in at least 18-point bold type and in the language in which a solicitation described by this paragraph is drafted: "THIS IS AN ADVERTISEMENT. YOU ARE NOT REQUIRED TO MAKE ANY PAYMENT OR TAKE ANY OTHER ACTION IN RESPONSE TO THIS OFFER."

(II) (ia) The disclosure statement described in subclause (I) shall appear in at least 16-point bold type on the front of an envelope that contains a solicitation described by this paragraph.

(ib) This subclause applies only to solicitations made by physical mail.

(B) For purposes of this paragraph:

(i) "Consumer financial product or service" has the same meaning as defined in Section 90005 of the Financial Code.

(ii) (I) "Covered person" has the same meaning as defined in Section 90005 of the Financial Code.

(II) "Covered person" does not mean an entity exempt from Division 24 (commencing with Section 90000) of the Financial Code pursuant to Section 90002 of the Financial Code.

(iii) "Solicitation" means an advertisement or marketing communication through writing or graphics that is directed to, or likely to give the impression of being directed to, an individually identified person, residence, or business location. "Solicitation" does not include any of the following:

(I) Communication through a mass advertisement, including in a catalog, on a radio or television broadcast, or on a publicly accessible internet website, if that communication is not directed to, or is not likely to give the impression of being directed to, an individually identified person, residence, or business location.

(II) Communication via a telephone, mail, or electronic communication that was initiated by a consumer.

(III) A written credit or insurance solicitation that is subject to the disclosure requirements of subsection (d) of Section 1681m of Title 15 of the United States Code.

(29) (A) Advertising, displaying, or offering a price for a good or service that does not include all mandatory fees or charges other than either of the following:

(i) Taxes or fees imposed by a government on the transaction.

(ii) Postage or carriage charges that will be reasonably and actually incurred to ship the physical good to the consumer.

(B) Compliance by a person providing broadband internet access service on its own or as part of a bundle, as defined in Section 8.1(b) of Title 47 of the Code of Federal Regulations, with the broadband consumer label requirements adopted by the Federal Communications Commission in FCC 22-86 on November 14, 2022, codified in Section 8.1(a) of Title 47 of the Code of Federal Regulations, shall be deemed in compliance with this paragraph.

(C) (i) For purposes of this subparagraph, "financial entity" means an entity that is exempt from Division 24 (commencing with Section 90000) of the Financial Code pursuant to Section 90002 of the Financial Code.

(ii) A financial entity that is required to provide disclosures in compliance with any of the following federal or state acts or regulations with respect to a financial transaction is exempt from this paragraph for purposes of that financial transaction:

(I) The federal Truth in Savings Act, as amended (12 U.S.C. Sec. 4301 et seq.).

(II) The federal Electronic Fund Transfer Act, as amended (15 U.S.C. Sec. 1693 et seq.).

(III) Section 19 of the Federal Reserve Act, as amended (12 U.S.C. Sec. 461 et seq.).

(IV) The federal Truth in Lending Act, as amended (15 U.S.C. Sec. 1601 et seq.).

(V) The federal Real Estate Settlement Procedures Act, as amended (12 U.S.C. Sec. 2601 et seq.).

(VI) The federal Home Ownership and Equity Protection Act (15 U.S.C. Sec. 1639).

(VII) Any regulation adopted pursuant to any of the federal acts in subclauses (I) to (VI), inclusive.

(VIII) The California Financing Law (Division 9 (commencing with Section 22000) of the Financial Code).

(IX) The California Residential Mortgage Lending Act (Division 20 (commencing with Section 50000) of the Financial Code).

(X) The Real Estate Law (Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code).

(XI) Any regulation adopted pursuant to any of the state acts in subclauses (VIII) to (X), inclusive.

(D) (i) Subject to clause (ii), this paragraph does not apply to a mandatory fee or charge for individual food or beverage items sold directly to a customer by a restaurant, bar, food concession, grocery store, or grocery delivery service, or by means of a menu or contract for banquet or catering services that fully discloses the terms of service.

(ii) A mandatory fee or charge under clause (i) shall be clearly and conspicuously displayed, with an explanation of its purpose, on any advertisement, menu, or other display that contains the price of the food or beverage item.

(iii) "Grocery delivery service" means a company owned by, or under contract with, a grocery store or distributor that delivers food, primarily fresh produce, meat, poultry, fish, deli products, dairy products, perishable beverages, baked foods, and prepared foods, from the grocery store or distributor to a consumer.

(iv) The exemption in this subparagraph does not apply to a "third-party food delivery platform," as defined in Section 113930.5 of the Health and Safety Code, or any other food delivery platform.

(30) Violating Section 396 of the Penal Code, including, but not limited to, price gouging during a state of emergency or local emergency.

(b) (1) It is an unfair or deceptive act or practice for a mortgage broker or lender, directly or indirectly, to use a home improvement contractor to negotiate the terms of any loan that is secured, whether in whole or in part, by the residence of the borrower and that is used to finance a home improvement contract or any portion of a home improvement contract. For purposes of this subdivision, "mortgage broker or lender" includes a finance lender licensed pursuant to the California Financing Law (Division 9 (commencing with Section 22000) of the Financial Code), a residential mortgage lender licensed pursuant to the California Residential Mortgage Lending Act (Division 20 (commencing with Section 50000) of the Financial Code), or a real estate broker licensed under the Real Estate Law (Division 4 (commencing with Section 10000) of the Business and Professions Code).

(2) This section shall not be construed to either authorize or prohibit a home improvement contractor from referring a consumer to a mortgage broker or lender by this subdivision. However, a home improvement contractor may refer a consumer to a mortgage lender or broker if that referral does not violate Section 7157 of the Business and Professions Code or any other law. A mortgage lender or broker may purchase an executed home improvement contract if that purchase does not violate Section 7157 of the Business and Professions Code or any other law. Nothing in this paragraph shall have any effect on the application of Chapter 1 (commencing with Section 1801) of Title 2 to a home improvement transaction or the financing of a home improvement transaction.

(c) As of July 1, 2025, any disclosure, advertisement, or notice that is required to be "clearly" or "clearly and conspicuously" made must have text that is "clear and conspicuous," as defined in subdivision (u) of Section 1791.

(d) This section shall become operative on July 1, 2024.

**SEC. 4.** Section 3345 of the Civil Code is amended to read:

**3345.** (a) This section shall apply only in actions brought by, on behalf of, or for the benefit of those individuals specified in paragraphs (1) to (3), inclusive, to redress unfair or deceptive acts or practices or unfair methods of competition.

(1) Senior citizens, as defined in subdivision (f) of Section 1761.

(2) Disabled persons, as defined in subdivision (g) of Section 1761.

(3) Veterans, as defined in Section 18540.4 of the Government Code.

(4) Persons displaced due to a state of emergency or a local emergency at the time the violation occurred. As used in this paragraph, "state of emergency" and "local emergency" have the same meaning as in Section 396 of the Penal Code.

(b) Whenever a trier of fact is authorized by a statute to impose either a fine, or a civil penalty or other penalty, or any other remedy the purpose or effect of which is to punish or deter, and the amount of the fine, penalty, or other remedy is subject to the

trier of fact's discretion, the trier of fact shall consider the factors set forth in paragraphs (1) to (4), inclusive, in addition to other appropriate factors, in determining the amount of fine, civil penalty or other penalty, or other remedy to impose. Whenever the trier of fact makes an affirmative finding in regard to one or more of the factors set forth in paragraphs (1) to (4), inclusive, it may impose a fine, civil penalty or other penalty, or other remedy in an amount up to three times greater than authorized by the statute, or, where the statute does not authorize a specific amount, up to three times greater than the amount the trier of fact would impose in the absence of that affirmative finding.

(1) Whether the defendant knew or should have known that their conduct was directed to one or more senior citizens, disabled persons, veterans, or persons displaced due to a state of emergency or a local emergency at the time the violation occurred.

(2) Whether the defendant's conduct caused one or more senior citizens, disabled persons, veterans, or persons displaced due to a state of emergency or local emergency at the time the violation occurred to suffer: loss or encumbrance of a primary residence, principal employment, or source of income; substantial loss of property set aside for retirement, or for personal or family care and maintenance; or substantial loss of payments received under a pension or retirement plan or a government benefits program, or assets essential to the health or welfare of the senior citizen, disabled person, veteran, or person displaced due to a state of emergency or local emergency at the time the violation occurred.

(3) Whether one or more senior citizens, disabled persons, veterans, or persons displaced due to a state of emergency or local emergency at the time the violation occurred are substantially more vulnerable than other members of the public to the defendant's conduct because of age, poor health or infirmity, impaired understanding, restricted mobility, or disability, and actually suffered substantial physical, emotional, or economic damage resulting from the defendant's conduct.

**SEC. 5.** Section 396 of the Penal Code is amended to read:

**396. (a)** The Legislature hereby finds that during a state of emergency or local emergency, including, but not limited to, an earthquake, flood, fire, riot, storm, drought, plant or animal infestation or disease, pandemic or epidemic disease outbreak, or other natural or manmade disaster, some merchants have taken unfair advantage of consumers by greatly increasing prices for essential consumer goods and services. While the pricing of consumer goods and services is generally best left to the marketplace under ordinary conditions, when a declared state of emergency or local emergency results in abnormal disruptions of the market, the public interest requires that excessive and unjustified increases in the prices of essential consumer goods and services be prohibited. It is the intent of the Legislature in enacting this act to protect citizens from excessive and unjustified increases in the prices charged during or shortly after a declared state of emergency or local emergency for goods and services that are vital and necessary for the health, safety, and welfare of consumers, whether those goods and services are offered or sold in person, in stores, or online. Further, it is the intent of the Legislature that this section be liberally construed so that its beneficial purposes may be served, including, but not limited to, curbing price gouging.

(b) Upon the proclamation of a state of emergency declared by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body vested with authority to make that declaration in any county, city, or city and county, and for a period of 30 days following that proclamation or declaration, it is unlawful for a person, contractor, business, or other entity to sell or offer to sell any consumer food items or goods, goods or services used for emergency cleanup, emergency supplies, medical supplies, home heating oil, building materials, housing, transportation, freight, and storage services, or gasoline or other motor fuels for a price of more than 10 percent greater than the price charged by that person for those goods or services immediately prior to the proclamation or declaration of emergency, or prior to a date set in the proclamation or declaration. However, a greater price increase is not unlawful if that person can prove that the increase in price was directly attributable to additional costs imposed on it by the supplier of the goods, or directly attributable to additional costs for labor or materials used to provide the services, during the state of emergency or local emergency, and the price is no more than 10 percent greater than the total of the cost to the seller plus the markup customarily applied by that seller for that good or service in the usual course of business immediately prior to the onset of the state of emergency or local emergency. If the person, contractor, business, or other entity did not charge a price for the goods or services immediately prior to the proclamation or declaration of emergency, it may not charge a price that is more than 50 percent greater than the cost thereof to the vendor as "cost" is defined in Section 17026 of the Business and Professions Code.

(c) Upon the proclamation of a state of emergency declared by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body vested with authority to make that declaration in any county, city, or city and county, and for a period of 180 days following that proclamation or declaration, it is unlawful for a contractor to sell or offer to sell any repair or reconstruction services or any services used in emergency cleanup for a price of more than 10 percent above the price charged by that person for those services immediately prior to the proclamation or declaration of emergency. However, a greater price increase is not unlawful if that person can prove that the increase in price was directly attributable to additional costs imposed on it by the supplier of the goods, or directly attributable to additional costs for labor or materials used to provide the services, during the state of emergency or local emergency, and the price represents no more than 10 percent greater than the total of the cost to the contractor plus the markup customarily applied by the contractor for that good or service in the usual course of business immediately prior to the onset of the state of emergency or local emergency.



(d) Upon the proclamation of a state of emergency declared by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body vested with authority to make that declaration in any county, city, or city and county, and for a period of 30 days following that proclamation or declaration, it is unlawful for an owner or operator of a hotel or motel to increase the hotel or motel's rates, as advertised immediately prior to the proclamation or declaration of emergency, by more than 10 percent. However, a greater price increase is not unlawful if the owner or operator can prove that the increase in price is directly attributable to additional costs imposed on it for goods or labor used in its business, to seasonal adjustments in rates that are regularly scheduled, or to previously contracted rates.

(e) Upon the proclamation of a state of emergency declared by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body vested with authority to make that declaration in any city, county, or city and county, and for a period of 30 days following that proclamation or declaration, or any period the proclamation or declaration is extended by the applicable authority, it is unlawful for any person, business, or other entity, to increase the rental price, as defined in paragraph (11) of subdivision (j), advertised, offered, or charged for housing by more than 10 percent. However, a greater rental price increase is not unlawful if that person can prove that the increase is directly attributable to additional costs for repairs or additions beyond normal maintenance that were amortized over the rental term that caused the rent to be increased greater than 10 percent or that an increase was contractually agreed to by the tenant prior to the proclamation or declaration. It shall not be a defense to a prosecution under this subdivision that an increase in rental price was based on the length of the rental term, the inclusion of additional goods or services, except as provided in paragraph (11) of subdivision (j) with respect to furniture, or that the rent was offered by, or paid by, an insurance company, or other third party, on behalf of a tenant. This subdivision does not authorize a landlord to charge a price greater than the amount authorized by a local rent control ordinance.

(f) It is unlawful for a person, business, or other entity to evict any residential tenant of residential housing after the proclamation of a state of emergency declared by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body vested with authority to make that declaration in any city, county, or city and county, and for a period of 30 days following that proclamation or declaration, or any period that the proclamation or declaration is extended by the applicable authority and rent or offer to rent to another person at a rental price greater than the evicted tenant could be charged under this section. It shall not be a violation of this subdivision for a person, business, or other entity to continue an eviction process that was lawfully begun prior to the proclamation or declaration of emergency.

(g) (1) The prohibitions of this section may be extended for additional periods, as needed, by a local legislative body, local official, or the Governor, if deemed necessary to protect the lives, property, or welfare of the citizens. Each extension by a local legislative body or local official shall not exceed 30 days. An extension may also authorize specified price increases that exceed the amount that would be permissible under this section during the initial 30 or 180 days after a proclamation or declaration of emergency.

(2) An extension authorized by the Governor may be terminated by a concurrent resolution of the Legislature declaring it at an end, consistent with Section 8629 of the Government Code.

(h) A violation of this section is a misdemeanor punishable by imprisonment in a county jail for a period not exceeding one year, by a fine of not more than ten thousand dollars (\$10,000), or by both that fine and imprisonment.

(i) A violation of this section shall constitute an unlawful business practice and an act of unfair competition within the meaning of Section 17200 of the Business and Professions Code. The remedies and penalties provided by this section are cumulative to each other, the remedies under Section 17200 of the Business and Professions Code, and the remedies or penalties available under all other laws of this state.

(j) For the purposes of this section, the following terms have the following meanings:

(1) "State of emergency" means a natural or manmade emergency resulting from an earthquake, flood, fire, riot, storm, drought, plant or animal infestation or disease, pandemic or epidemic disease outbreak, or other natural or manmade disaster for which a state of emergency has been declared by the President of the United States or the Governor.

(2) "Local emergency" means a natural or manmade emergency resulting from an earthquake, flood, fire, riot, storm, drought, plant or animal infestation or disease, pandemic or epidemic disease outbreak, or other natural or manmade disaster for which a local emergency has been declared by an official, board, or other governing body vested with authority to make that declaration in any county, city, or city and county in California.

(3) "Consumer food item" means any article that is used or intended for use for food, drink, confection, or condiment by a person or animal.

(4) "Repair or reconstruction services" means services performed by any person who is required to be licensed under the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), for repairs to residential or commercial property of any type that is damaged as a result of a disaster.

(5) "Emergency supplies" includes, but is not limited to, water, flashlights, radios, batteries, candles, blankets, soaps, diapers, temporary shelters, tape, toiletries, plywood, nails, and hammers.

(6) "Medical supplies" includes, but is not limited to, prescription and nonprescription medications, bandages, gauze, isopropyl alcohol, and antibacterial products.

(7) "Building materials" means lumber, construction tools, windows, and anything else used in the building or rebuilding of property.

(8) "Gasoline" means any fuel used to power any motor vehicle or power tool.

(9) "Transportation, freight, and storage services" means any service that is performed by any company that contracts to move, store, or transport personal or business property or that rents equipment for those purposes, including towing services.

(10) "Housing" means any rental housing with a lease term, including, but not limited to, a space rented in a mobilehome park or campground.

(11) "Rental price" for housing means any of the following:

(A) For housing rented within one year prior to the time of the proclamation or declaration of emergency, the actual rental price paid by the tenant. For housing not rented at the time of the declaration or proclamation, but rented, or offered for rent, within one year prior to the proclamation or declaration of emergency, the most recent rental price offered before the proclamation or declaration of emergency. For housing rented at the time of the proclamation or declaration of emergency but which becomes vacant while the proclamation or declaration of emergency remains in effect and which is subject to any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity that establishes a maximum amount that a landlord may charge a tenant for rent, the actual rental price paid by the previous tenant or the amount specified in subparagraph (B), whichever is greater. This amount may be increased by 5 percent if the housing was previously rented or offered for rent unfurnished, and it is now being offered for rent fully furnished. This amount shall not be adjusted for any other good or service, including, but not limited to, gardening or utilities currently or formerly provided in connection with the lease.

(B) For housing not rented and not offered for rent within one year prior to the proclamation or declaration of emergency, 160 percent of the fair market rent established by the United States Department of Housing and Urban Development. This amount may be increased by 5 percent if the housing is offered for rent fully furnished. This amount shall not be adjusted for any other good or service, including, but not limited to, gardening or utilities currently or formerly provided in connection with the lease.

(C) Housing advertised, offered, or charged, at a daily rate at the time of the declaration or proclamation of emergency, shall be subject to the rental price described in subparagraph (A), if the housing continues to be advertised, offered, or charged, at a daily rate. Housing advertised, offered, or charged, on a daily basis at the time of the declaration or proclamation of emergency, shall be subject to the rental price in subparagraph (B), if the housing is advertised, offered, or charged, on a periodic lease agreement after the declaration or proclamation of emergency.

(D) For mobilehome spaces rented to existing tenants at the time of the proclamation or declaration of emergency and subject to a local rent control ordinance, the amount authorized under the local rent control ordinance. For new tenants who enter into a rental agreement for a mobilehome space that is subject to rent control but not rented at the time of the proclamation or declaration of emergency, the amount of rent last charged for a space in the same mobilehome park. For mobilehome spaces not subject to a local rent control ordinance and not rented at the time of the proclamation or declaration of emergency, the amount of rent last charged for the space.

(12) "Goods" has the same meaning as defined in subdivision (c) of Section 1689.5 of the Civil Code.

(13) "Price gouging" is the unlawful conduct of charging higher or greater prices as specified in subdivisions (b) to (f), inclusive.

(k) This section does not preempt any local ordinance prohibiting the same or similar conduct or imposing a more severe penalty for the same conduct prohibited by this section.

(l) A business offering an item for sale, or a service, at a reduced price immediately prior to the proclamation or declaration of the emergency may use the price it normally charges for the item or service to calculate the price pursuant to subdivision (b) or (c).

(m) This section does not prohibit an owner from evicting a tenant for any lawful reason, including pursuant to Section 1161 of the Code of Civil Procedure.