



State of California
Office of the Attorney General

XAVIER BECERRA
ATTORNEY GENERAL

October 16, 2017

Via E-Mail & Overnight Delivery
North Bay Association of Realtors
c/o Lisa Badenfort, Government Affairs Director
2235 Challenger Way, Suite 100
Santa Rosa, CA 95407
lisa@northbayrealtors.org

RE: California's Anti-Price Gouging Statute, Penal Code Section 396

Dear North Bay Association of Realtors:

As your community knows all too well, the wildfires in California continue to rage, one of the worst disasters in our state's recent memory. Please accept my condolences to all who have been impacted by this catastrophe.

As you also know, the fires have left thousands of displaced residents in a region that faced a housing shortage even before the fires erupted. I urge you to educate your members who manage residential rental properties, and their clients, about their obligations under our state's anti-price gouging statute, Penal Code section 396.

The President and the Governor have declared states of emergency in California. These declarations triggered the protections of Section 396, which, with limited exceptions, prohibits raising the price of many consumer goods and services—including rental housing with an initial lease term of no longer than one year—by more than 10 percent after an emergency has been declared.

Section 396 does not restrict its protection to a city or county where the emergency or disaster is located. It is intended to prevent price gouging anywhere in the state where there is increased consumer demand as a result of a declared emergency.

Violators of Section 396 are subject to criminal prosecution that can result in a one-year imprisonment in county jail and/or a fine of up to \$10,000. Violators are also subject to civil enforcement actions including civil penalties of up to \$5,000 per violation, injunctive relief and mandatory restitution.

North Bay Association of Realtors

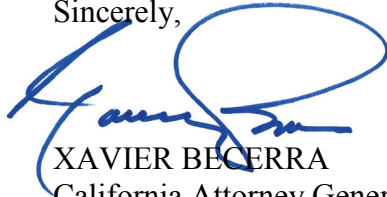
October 16, 2017

Page 2

My office and those of District Attorneys across the state are authorized to enforce Section 396. We are encouraging consumers to report price gouging, and we will treat such allegations with the utmost seriousness.

If you or your members have any questions, please contact Deputy Attorney General Vivian Wang at vivian.wang@doj.ca.gov or (415) 703-5530. Thank you for your anticipated assistance to our state during this tragedy.

Sincerely,

A handwritten signature in blue ink, appearing to read "Xavier Becerra", with a large, stylized loop at the end.

XAVIER BECERRA
California Attorney General