



KCEH Learning Center

Sonoma/Napa Mendocino Fires Articles

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Article 1. Are Price Hikes Allowed When There Is a State of Emergency?

The short answer is no. When the President of the United States declares a state of national emergency, Penal Code Section 396 prohibits raising the price of many consumer goods and services by more than 10% after an emergency has been declared. This applies not only to rents, but also to goods and services.

Penal Code Section 396 applies for 30 days after an emergency and 180 days for reconstruction services and emergency cleanup services. This period can be extended beyond these time frames by state legislature and local officials.

The statute applies to protect the pricing of the following major necessities: rental housing, hotels/motels, food and drink, emergency supplies such as water, flashlights, radios, batteries, candles, blankets, soaps, diapers temporary shelters, tape, toiletries, plywood, nails, hammers and medical supplies, including but not limited to medications.

The law applies to neighboring counties as well and applies to all providers of the goods or services unless they can prove that the price increase is due to increased labor or material prices.

WHAT SHOULD I DO IF MY LANDLORD INCREASED MY RENT ABOVE 10% AFTER THE NORTHERN CALIFORNIA FIRES?

If your landlord increased your rent above 10% in the 30 days after the Northern California Fires were declared a National Emergency (October 16, 2017), then call the offices of Kornblum, Cochran, Erickson & Harbison, LLP. Violation of the price gouging statute are subject to civil enforcement actions including civil penalties of up to \$5,000 per violation, injunctive relief and mandatory restitution. In addition to these penalties, if there is a pattern and practice of a particular landlord increasing rents after the emergency, consumers are protected by the Business and Professions Code (Section 17200 et. seq.) as well.