
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 380 (Mark González) - Price gouging

Version: June 27, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: PUB. S. 4 - 1

Mandate: Yes

Consultant: Liah Burnley

Bill Summary: AB 380 expands the crime of price gouging during an emergency.

Fiscal Impact:

- Unknown, potentially significant costs to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate the increased criminal penalties in this bill. Defendants are constitutionally guaranteed certain rights during criminal proceedings, including the right to a jury trial and the right to counsel (at public expense if the defendants are unable to afford the costs of representation). Increasing penalties leads to lengthier and more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknowns, including the numbers of people charged with an offense and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. This is a conservative estimate, based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.
- Unknown, potentially significant costs (local funds, General Fund) to the counties to incarcerate people for the crimes in this bill. The average annual cost to incarcerate one person in county jail varies by county, but likely ranges from \$70,000 to \$90,000 per year. For example, in 2021, Los Angeles County budgeted \$1.3 billion for jail spending, including \$89,580 per incarcerated person. Actual incarceration costs to counties will depend on the number of convictions and the length of each sentence. Generally, county incarceration costs are not reimbursable state mandates pursuant to Proposition 30 (2012).

Background: As explained in further detail in the Senate Public Safety Committee Analysis of this bill, price gouging occurs when person selling retail goods or services increases prices significantly after a natural disaster or other state of emergency. Existing law prohibits a selling or offering to sell certain goods or services for a price more than 10% greater than the price charged immediately prior to a declared state of emergency. Specifically, this prohibition applies when the president of the United States or the governor proclaims a state of emergency or when the executive officer of a county or city declares a local emergency. Currently, price gouging is prohibited for 30

or 180 days after an emergency is declared, depending on the goods or services at issue, but an extension of the price gouging protections can be declared by executive order. A violation of the prohibition is punishable as a misdemeanor by up to one year in county jail or a fine of \$10,000, or by both. Price gouging is also an unlawful business practice that can be civilly enforced by specified public prosecutors or through a private right of action.

Proposed Law:

- Extends the minimum timeframes for pricing protections as follows:
 - Doubles from 30 days to 60 days the prohibition applicable to 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, commercial real property, transportation, freight, and storage services, or gasoline or other motor fuels;
 - Doubles from 30 days to 60 days the prohibition applicable to motel and hotel rates; and,
 - Doubles from 30 days to 60 days the prohibition applicable to housing rental prices.
- Adds commercial real property to the list of commodities covered by price gouging protections.
- Removes from the definition of “housing” the requirement that rental housing have an initial lease term of no longer than one year.
- Defines “commercial real property” as all real property in this state, except dwelling units, mobile homes, and recreational vehicles, and also except real property used primarily for transportation, freight, or storage services.
- Provides that upon the proclamation of a state of emergency, or upon the declaration of a local emergency, and for a period of 60 days following that proclamation or declaration, it is unlawful for any person, business, or other entity, to increase the rental price advertised, offered, or charged for commercial real property, to an existing or prospective tenant, by more than 10%. 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%, or that an increase was contractually agreed to by the commercial tenant prior to the proclamation or declaration.
- States that it is not a defense that an increase in rental price was based on the length of the rental term, the inclusion of additional goods or services, except as specified, or that the rent was offered by, or paid by, an insurance company, or other third party, on behalf of a tenant.

- States that these provisions do not authorize a landlord to charge a price for commercial real property greater than the amount authorized by a local rent control ordinance.
- Makes it unlawful to evict any commercial tenant of commercial real property and to rent, or offer to rent, to another person at a rental price greater than the evicted tenant could be charged under price gouging protections after the proclamation of a state of emergency, or upon the declaration of a local emergency, and for a period of 60 days following that proclamation or declaration.
- Provides that it is not unlawful to continue an eviction process against a tenant of commercial property that was lawfully begun prior to the proclamation or declaration of emergency.
- Creates a separate punishment for the crime of price gouging when the violation is committed by an entity or person other than a natural person. Under these circumstances, the punishment is a misdemeanor punishable by fine of not more than \$25,000.

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