
UNFINISHED BUSINESS

Bill No: SB 36
Author: Umberg (D) and Smallwood-Cuevas (D), et al.
Amended: 9/5/25 in Assembly
Vote: 21

SENATE JUDICIARY COMMITTEE: 10-0, 4/8/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Wiener

NO VOTE RECORDED: Niello, Valladares, Weber Pierson

SENATE PUBLIC SAFETY COMMITTEE: 5-1, 4/22/25

AYES: Arreguín, Caballero, Gonzalez, Pérez, Wiener

NOES: Seyarto

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto

NO VOTE RECORDED: Dahle

SENATE FLOOR: 29-7, 6/3/25

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NOES: Alvarado-Gil, Choi, Dahle, Grove, Niello, Seyarto, Strickland

NO VOTE RECORDED: Jones, Ochoa Bogh, Reyes, Valladares

ASSEMBLY FLOOR: 43-14, 9/9/25 – Roll call not available.

SUBJECT: Price gouging: state of emergency

SOURCE: Author

DIGEST: This bill strengthens the laws protecting those affected by wildfires and other emergencies in the state, including from price gouging.

Assembly Amendments of 9/5/25 remove provisions regarding search warrants and the areas to which price gouging laws extend and provide additional clarifying amendments.

ANALYSIS:

Existing law:

- 1) Establishes the Unfair Competition Law (UCL), which provides a statutory cause of action for any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising, including over the internet. (Business and Professions Code (Bus. & Prof. Code) § 17200 et seq.)
- 2) Defines “unfair competition” to mean and include any unlawful, unfair, or fraudulent business act or practice and any unfair, deceptive, untrue, or misleading advertising, and any act prohibited by the False Advertising Law (FAL), (Bus. & Prof. Code § 17200.)
- 3) Provides that any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction. (Bus. & Prof. Code § 17203.)
- 4) Requires actions for relief pursuant to the UCL be prosecuted exclusively in a court of competent jurisdiction and only by the following:
 - a) the Attorney General;
 - b) a district attorney;
 - c) a county counsel authorized by agreement with the district attorney in actions involving violation of a county ordinance;
 - d) a city attorney of a city having a population in excess of 750,000;
 - e) a county counsel of any county within which a city has a population in excess of 750,000;
 - f) a city attorney in a city and county;
 - g) a city prosecutor in a city having a full-time city prosecutor in the name of the people of the State of California upon their own complaint or upon the complaint of a board, officer, person, corporation, or association with the consent of the district attorney; or

- h) a person who has suffered injury in fact and has lost money or property as a result of the unfair competition. (Bus. & Prof. Code § 17204.)
- 5) Provides that any person who engages, has engaged, or proposes to engage in unfair competition is liable for a civil penalty not to exceed \$2,500 for each violation. The court shall impose a civil penalty for each violation. In assessing the amount of the civil penalty, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth. (Bus. & Prof. Code § 17206.)
 - 6) Establishes the Consumer Legal Remedies Act (CLRA), which prohibits unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer. (Civil (Civ.) Code § 1750 et seq.)
 - 7) Provides that any consumer who suffers any damage as a result of the use or employment by any person of a method, act, or practice declared to be unlawful by Section 1770 of the Civil Code may bring an action against that person to recover or obtain any of the following:
 - a) actual damages, but in no case shall the total award of damages in a class action be less than \$1,000;
 - b) an order enjoining the methods, acts, or practices;
 - c) restitution of property;
 - d) punitive damages;
 - e) court costs and attorney's fees to a prevailing plaintiff. However, reasonable attorney's fees may be awarded to a prevailing defendant upon a finding by the court that the plaintiff's prosecution of the action was not in good faith; and
 - f) any other relief that the court deems proper. (Civ. Code § 1780(a), (e).)
 - 8) Requires the trier of fact, when an action is brought on behalf of or for the benefit of senior citizens, disabled persons, or veterans ("protected persons"), as those are defined, to redress unfair or deceptive acts or practices or unfair methods of competition, to consider the following factors in addition to other appropriate factors in determining the amount of a fine, civil penalty or other penalty, or other remedy to impose whenever the trier of fact is authorized by

statute to impose a fine, penalty, or any other remedy the purpose or effect of which is to punish or deter and the amount of the fine, penalty, or remedy is subject to the trier of fact's discretion:

- a) Whether the defendant knew or should have known that their conduct was directed to one or more protected persons.
 - b) Whether the defendant's conduct caused one or more protected persons 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 protected person.
 - c) Whether one or more protected persons 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. (Civ. Code § 3345.)
- 9) Authorizes the trier of fact, when it makes an affirmative finding in regard to the specified factors above, to 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. (Civ. Code § 3345.)
- 10) Provides that upon the declaration of a state of emergency or local emergency resulting from specified crises, including earthquakes, floods, fires, and other disasters, and for a period following that declaration, it is unlawful for a person, contractor, business, or other entity to sell or offer to sell specified goods and services, such as consumer food items, goods or services used for emergency cleanup, emergency supplies, building materials, housing, gasoline or repair or reconstruction services for a price of more than 10 percent above the price charged immediately prior to the proclamation of emergency. (Penal (Pen.) Code § 396.)

This bill:

- 1) Provides that, in addition to any liability for a civil penalty pursuant to Section 17206, a person who violates the UCL, 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 of the violation, shall be liable for a civil penalty not to exceed \$2,500 for each violation, which may be assessed and recovered in a civil action as prescribed in Section 17206.
- 2) Makes it unlawful pursuant to the CLRA to violate Section 396 of the Penal Code, including, but not limited to, price gouging during a state of emergency or local emergency.
- 3) Adds persons displaced due to a state of emergency or a local emergency, as defined, at the time of any violation to the protected persons eligible for enhanced remedies pursuant to Section 3345.
- 4) Updates Section 396 to explicitly define and prohibit “price gouging” and reworks the provisions governing extensions of the relevant periods in which the section is in effect.
- 5) Places a series of obligations on housing listing platforms, as provided, including requiring specified policies and reporting mechanisms to be established.
- 6) Requires the policies and mechanism required of platforms to be publicly posted and readily accessible to users.
- 7) Defines a “housing listing platform” 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.

Background

The aftermath of an emergency, such as a natural disaster or other crisis, represents a uniquely vulnerable period for affected communities, characterized by significant emotional, physical, and economic challenges. During these critical moments, victims are particularly susceptible to predatory business practices and fraudulent schemes that can exacerbate their existing hardships.

Survivors often face immediate pressures to secure housing, replace essential goods, and initiate reconstruction efforts, all while managing limited financial

resources. Unscrupulous actors frequently exploit this vulnerability through price gouging—dramatically increasing the cost of essential goods and services during emergency periods. Comprehensive legal protections are essential to mitigate these risks and ensure equitable recovery for disaster-impacted populations.

This bill, a part of the Senate’s Golden State Commitment legislative package to strengthen wildfire recovery, bolsters protections for those affected by wildfires and other crises in the state. It does so by reinforcing laws aimed at preventing price gouging and other predatory practices targeting consumers affected by emergencies. It also enlists online housing listing platforms to help root out such practices in the housing stock in the wake of a disaster. The bill is author-sponsored. It is supported by various consumer advocacy groups, including Consumer Watchdog. No timely opposition was received.

Comments

According to the authors:

In times of crisis, Californians should be able to focus on recovery and rebuilding, not on predatory financial exploitation. Unfortunately, recent disasters—such as the devastating January 2025 firestorms—have shown that gaps in our current laws allow opportunists to take advantage of vulnerable, displaced residents.

SB 36 closes these loopholes and strengthens protections against rental price gouging during declared emergencies. Under existing law, price gouging protections apply broadly to goods and services but do not explicitly cover rental housing. As we saw in the aftermath of the Southern California fires, bad actors took advantage of this oversight by listing properties in neighboring counties that were not subject to the emergency declaration, evading accountability while still targeting displaced residents.

SB 36 ensures that disaster victims are not further victimized by financial exploitation. It enhances civil penalties for price gouging, empowers public prosecutors with greater enforcement tools, and extends protections to counties within a 50-mile radius of the affected area to prevent circumvention of the law. Additionally, SB 36 brings accountability to online housing platforms by requiring them to monitor and report instances of price gouging and enforce fair pricing policies.

California has long led the way in protecting consumers, and SB 36 builds on that commitment by closing critical gaps in our price gouging laws. When disaster strikes, Californians deserve stability, fairness, and the assurance that the law will hold those who seek to profit from tragedy accountable. I urge my colleagues to support SB 36 to protect our most vulnerable residents when they need it most.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- Department of Justice (DOJ) and local prosecutors: Workload cost pressures (Unfair Competition Law Fund, General Fund, local funds) to the DOJ and local prosecutors of an unknown but potentially significant amount. If state and local prosecutors file civil enforcement actions as authorized by this bill it will result in a significant workload increase.
- Trial Courts: Unknown, potentially significant cost to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate additional civil and criminal actions.
- State and Local Law Enforcement Agencies: Workload costs pressures to state and local law enforcement agencies (General Funds, local funds) of an unknown, but potentially significant amount to respond to and investigate alerts about price listings on the housing listing platforms that violate the price gouging statute.
- Local Incarceration and Supervision: Unknown, potentially significant costs (local funds, General Fund) to the counties to incarcerate people for the crimes expanded by this bill.

According to the Assembly Appropriations Committee:

- Costs (General Fund, UCL Fund) to the Department of Justice (DOJ) to investigate and prosecute violations. DOJ anticipates costs of approximately \$1.1 million in fiscal year 2025-26 and \$1.8 million annually ongoing for nine additional staff positions: attorneys, special investigators, program analysts, and legal secretaries in its Public Rights Division and Special Prosecutions Section.

- Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate criminal charges and civil actions resulting from this bill. A defendant charged with a misdemeanor or felony is entitled to a jury trial and, if the defendant is indigent, legal representation provided by the government. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.
- Costs (local funds, General Fund) to the counties to incarcerate people convicted of price gouging. Actual incarceration costs will depend on the number of convictions and the length of each sentence. The average annual cost to incarcerate one person in county jail is approximately \$29,000, though costs are higher in larger counties. County incarceration costs are not subject to reimbursement by the state. However, overcrowding in county jails creates cost pressure on the General Fund because the state has historically granted new funding to counties to offset overcrowding resulting from public safety realignment.

SUPPORT: (Verified 9/9/25)

City of Los Angeles
Consumer Attorneys of California
Consumer Watchdog
TechEquity Action

OPPOSITION: (Verified 9/9/25)

None received

ARGUMENTS IN SUPPORT: Consumer Watchdog writes in support:

While emergency declarations prohibited excessive rent increases in Los Angeles County, dishonest property owners exploited a loophole by listing rental properties at exorbitant rates in neighboring counties such as Orange County, where no emergency had been declared. This practice obstructed enforcement efforts and placed further hardship on displaced families in desperate need of shelter.

Consumer Watchdog supports SB 36 because it strengthens consumer protections by increasing penalties for price gouging and requiring online housing platforms to enforce fair pricing policies, report violations, and provide mechanisms for consumer complaints. It empowers displaced individuals to take legal action, grants courts the authority to award damages, and enhances prosecutorial tools to investigate and address housing-related price gouging. Additionally, it extends protections to counties within a 50-mile radius of an affected area, preventing exploitation in nearby markets.

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
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