

Price Gouging After Wildfire Disaster

California Penal Code Section 396 generally prohibits charging a price that exceeds, by more than 10 percent, the price of an item before a state or local declaration of emergency. This law applies to those who sell food, emergency supplies, medical supplies, building materials and gasoline. The law also applies to repair or reconstruction services, emergency cleanup services, transportation, freight and storage services, **hotel accommodations and rental housing**. The Governor has extended the State of Emergency for Sonoma County through April 2018 so the price gouging limitations will continue to apply during this time.

Violators of the price gouging statute 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. The District Attorney and the Attorney General can enforce the statute, and will investigate all reports of price-gouging.

Many factors that go into evaluating whether the price gouging prohibitions have been violated. The fact that a price has increased or is greater than what other similar establishments charge is not the sole determining factor. Many times, there are legitimate reasons such as increased costs that may justify a price increase.

Complaints can be made on the District Attorney's website at <http://sonomacounty.ca.gov/District-Attorney/>, or by calling (707) 565-5317. It would be most helpful if victims or witnesses could provide the District Attorney's Office with emails, pictures, or other documentation showing the before and after prices.

A complete copy of Penal Code Section 396 can be found at:

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PEN&ionNum=396.