



State of California  
Office of the Attorney General

XAVIER BECERRA  
ATTORNEY GENERAL

October 16, 2017

Via E-Mail & Overnight Delivery

California Hotel & Lodging Association  
c/o Danny Friedman, Legislative & Communications Coordinator  
414 29th Street  
Sacramento, CA 95816  
[danny@calodging.com](mailto:danny@calodging.com)

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

Dear California Hotel & Lodging Association:

The wildfires in California continue to rage, one of the worst disasters in our state's recent memory, and many of them are still uncontained. With thousands of displaced residents needing shelter, I urge you to educate the members of your association 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 hotel and motel lodging—by more than 10 percent after an emergency has been declared.

I am aware and encouraged that in response to declarations of emergencies in past disasters, some hotels have taken affirmative measures such as freezing prices in their booking systems and procedures to ensure that they comply with Section 396. These measures may be necessary to override algorithms in booking software that automatically increase prices when there is high demand. I urge California Hotel & Lodging Association to encourage and assist its members to take such measures.

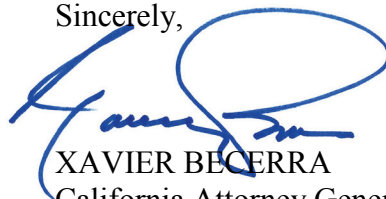
Section 396 does not restrict its protection to a city or county where the emergency or disaster is located. It is intended to prevent price gouging anywhere in the state where there is increased consumer demand as a result of the declared emergency.

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.

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](mailto:vivian.wang@doj.ca.gov) or (415) 703-5530. Thank you for your anticipated assistance to our state during this tragedy.

Sincerely,



XAVIER BECERRA  
California Attorney General