



July 14, 2026

The Honorable Ben Allen
California State Senate
1021 O Street, Suite 6610
Sacramento, CA 95814

RE: SB 1365 (Allen) - Unlawful business practices: price gouging – as amended May 18, 2026 & revised June 16, 2026 - Oppose

Dear Senator Allen:

On behalf of the listed organizations, we are writing to inform you that our organizations continue to oppose SB 1365, your legislation that proposes changes to California's Cartwright Act as well as Penal Code 396, which addresses proclamations of a state of emergency. These are our objections:

Changes to California's Antitrust Law

SB 1365 Unnecessarily Expands California's Antitrust law – It would significantly expand antitrust enforcement authority by allowing some city attorneys to bring claims under California's antitrust laws. While we support strong and effective enforcement of antitrust laws, this proposal creates substantial risks without demonstrating a clear need for change. It would fragment California's antitrust enforcement framework, increase litigation risk, and undermine the consistent application of complex laws—without addressing a demonstrated need.

SB 1365 Undermines Uniform Statewide Enforcement - Antitrust law is highly complex and requires consistent application across jurisdictions. Current law appropriately vests enforcement authority with the Attorney General and local district attorneys, ensuring a coordinated and uniform approach. Expanding authority to city attorneys risks creating a patchwork of enforcement standards, with differing interpretations and inconsistent outcomes across cities.

SB 1365 Creates Duplicative and Potentially Conflicting Litigation - Allowing multiple layers of government to bring antitrust claims over the same conduct invites overlapping lawsuits. A single issue could be pursued simultaneously by the Attorney General, a district attorney, and one or more city attorneys. This duplication increases costs, burdens the courts, and raises the potential for conflicting rulings or settlements.

SB 1365 Provides no Demonstrated Gap in Current Law - The bill does not identify a failure in existing enforcement by the Attorney General or district attorneys. Without evidence of any deficiency, expanding authority adds complexity without clear benefit. **Claiming that the Cartwright Act can be used to stop individuals from making an offer to purchase land or housing is not what the Cartwright Act is intended to be used for.**

SB 1365 Dilutes Expertise in a Highly Specialized Area of Law - Antitrust enforcement requires significant legal and economic expertise. The Attorney General's office is specifically equipped with the resources and experience necessary to handle these cases. Expanding authority to additional jurisdictions risks inconsistent application.

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Changes to California Penal Code 396 – Declarations of Emergency

While we support strong enforcement against bad actors who engage in price gouging during declared emergencies, SB 1365 goes far beyond that purpose. The bill expands Penal Code Section 396 in a manner that creates significant legal uncertainty, undermines existing contractual agreements, and risks reducing the availability of housing when it is needed most.

SB 1365 Expands Beyond the Intent of Existing Law - Penal Code Section 396 was designed to prevent sudden and opportunistic rent increases based on prices immediately following an emergency. This represents a fundamental shift from targeting bad actors to broadly regulating lawful pricing decisions.

SB 1365 Interferes with Freely Negotiated Contracts - Longer-term leases often reflect carefully negotiated terms, including agreed-upon rent schedules and risk allocation over time. By applying emergency price caps without regard to lease duration, SB 1365 effectively rewrites these agreements after the fact. This undermines contractual certainty and raises serious concerns about fairness and predictability in California's housing market.

SB 1365 Creates Unnecessary Overlap with Existing Laws - California already has extensive renter protections, including statewide rent caps under AB 1482, local rent control ordinances, and existing emergency price gouging restrictions. Expanding Penal Code Section 396 adds another layer of regulation without addressing a clearly defined gap, increasing compliance complexity and the risk of inadvertent violations under a criminal statute.

For the reasons listed above, we respectfully oppose SB 1365.



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cc: Assembly Appropriations Committee