

First Extraordinary Session, 2005

HOUSE BILL NO. 167

BY REPRESENTATIVE GRAY

COMMERCE: Prohibits unfair residential rental increases

1 AN ACT

2 To enact R.S. 51:1425, relative to unfair trade practices; to provide that unfair residential  
3 rent increases in hurricane-devastated areas is an unfair trade practice; to provide for  
4 the attorney general to promulgate rules; to provide for remedies; and to provide for  
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1425 is hereby enacted to read as follows:

8 §1425. Unfair acts or practices; residential property rents; rules; remedies

9 A. In order to address temporary disturbances in the residential real estate  
10 market caused by Hurricanes Katrina and Rita, an unreasonable rent increase in areas  
11 affected by the devastation and evacuations caused by the hurricanes shall constitute  
12 an unfair trade practice in violation of this Chapter. The attorney general shall  
13 determine the reasonableness of any rent increase by reference to prevailing market  
14 rates for comparable rentals in the affected rental market before August 26, 2005.  
15 When determining the reasonableness of a rent increase, the attorney general shall  
16 consider the costs incurred by the property owner after August 26, 2005, in order to  
17 clean and repair the premises.

18 B. The attorney general shall promulgate emergency and permanent  
19 regulations pursuant to the Administrative Procedure Act, R.S. 49:951 et seq.,  
20 establishing procedures for the investigation and evaluation of rent increases.

1        providing for notice of the investigation and findings to the alleged violator,  
2        protecting consumers from retaliation, and identifying circumstances in which the  
3        attorney general may issue a cease and desist order to prevent or restrain an unfair  
4        trade practice in the residential real estate market.

5                C. The attorney general may issue a cease and desist order in accordance with  
6        the criteria and procedures established by regulation in order to prevent or restrain  
7        an unfair trade practice in the residential real estate market.

8                D. A court may order additional relief, including the posting of notices and  
9        monitoring by the attorney general, when necessary to prevent or restrain an unfair  
10       trade practice in the residential real estate market.

11       Section 2. This Act shall become effective upon signature by the governor or, if not  
12 signed by the governor, upon expiration of the time for bills to become law without signature  
13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
14 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
15 effective on the day following such approval. This Act shall become null and void on  
16 August 15, 2006.

---

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

---

Gray

HB No. 167

**Abstract:** Provides that unreasonable rent increases to residential property in hurricane-devastated areas is an unfair trade practice.

Proposed law provides that an unreasonable rent increase in areas affected by the devastation and evacuations caused by Hurricanes Katrina and Rita shall constitute an unfair trade practice.

Proposed law provides that the attorney general shall determine the reasonableness of any rent increase by reference to prevailing market rates for comparable rentals in the affected rental market before August 26, 2005.

Proposed law provides that when determining the reasonableness of a rent increase, the attorney general shall consider the costs incurred by the property owner after August 26, 2005, in order to clean and repair the premises.

Proposed law provides that the attorney general shall promulgate emergency and permanent regulations pursuant to the Administrative Procedure Act, R.S. 49:951 et seq., establishing procedures for the investigation and evaluation of rent increases, providing for notice of the

investigation and findings to the alleged violator, protecting consumers from retaliation, and identifying circumstances in which the attorney general may issue a cease and desist order to prevent or restrain an unfair trade practice in the residential real estate market.

Proposed law provides that the attorney general may issue a cease and desist order in accordance with the criteria and procedures established by regulation in order to prevent or restrain an unfair trade practice in the residential real estate market.

Proposed law provides that a court may order additional relief, including the posting of notices and monitoring by the attorney general, when necessary to prevent or restrain an unfair trade practice in the residential real estate market.

Effective upon signature of governor or lapse of time for gubernatorial action. This Act shall become null and void on August 15, 2006.

(Adds R.S. 51:1425)