

First Extraordinary Session, 2005

SENATE BILL NO. 113

BY SENATOR MURRAY

CONSUMERS/PROTECTION. Prohibits unfair residential rental increases. (gov sig)

1 AN ACT

2 To enact R.S. 51:1425, relative to unfair trade practices; to provide that an unfair residential  
3 rent in declared disaster areas is an unfair trade practice; to provide for the attorney  
4 general to promulgate rules; to provide for remedies; to provide for an effective date;  
5 and to provide for 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**  
10 **estate market caused by hurricanes Katrina and Rita, an unreasonable rent**  
11 **increase in declared disaster areas caused by the hurricanes shall constitute an**  
12 **unfair trade practice in violation of this Chapter. The attorney general shall**  
13 **determine the reasonableness of any rent increase by reference to prevailing**  
14 **market rates for comparable rentals in the affected rental market before**  
15 **August 26, 2005. When determining the reasonableness of a rent increase, the**  
16 **attorney general shall consider the costs, including mortgage payments not**  
17 **covered by rent or business interruption insurance, incurred after August 26,**

1           **2005, in order to clean and repair the premises.**

2           **B. The attorney general shall promulgate emergency and permanent**  
 3           **regulations pursuant to the Administrative Procedure Act, R.S. 49:951 et seq.,**  
 4           **establishing procedures for the investigation and evaluation of rent increases;**  
 5           **providing for notice of the investigation and findings to the alleged violator;**  
 6           **protecting consumers from retaliation; and identifying circumstances in which**  
 7           **the attorney general may issue a cease and desist order to prevent or restrain**  
 8           **an unfair trade practice in the residential real estate market.**

9           **C. The attorney general may issue a cease and desist order in accordance**  
 10           **with the criteria and procedures established by regulation in order to prevent**  
 11           **or restrain an unfair trade practice in the residential real estate market.**  
 12           **However, the attorney general shall give notice to a lessor that a complaint has**  
 13           **been received and the lessor shall be given ten days to respond before a cease**  
 14           **and desist order is issued.**

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

18           **E. The provisions of this Section shall be null and void on August 15,**  
 19           **2006.**

20           Section 2. This Act shall become effective upon signature by the governor or, if not  
 21           signed by the governor, upon expiration of the time for bills to become law without signature  
 22           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 23           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 24           effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Jeffery T. Oglesbee.

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#### DIGEST

Proposed law provides that an unreasonable rent increase in declared disaster areas caused  
 by hurricanes Katrina and Rita constitutes an unfair trade practice.

Proposed law provides that the attorney general will 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 must 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 will 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.

Proposed law is null and void on August 15, 2006.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 51:1425)