

Date of Hearing: April 7, 2026

ASSEMBLY COMMITTEE ON JUDICIARY  
Ash Kalra, Chair  
AB 1640 (Stefani) – As Amended March 2, 2026

PROPOSED CONSENT

**SUBJECT:** CALIFORNIA RESTAURANT RESERVATION ANTIPIRACY ACT

**KEY ISSUE:** SHOULD THE LEGISLATURE ENACT THE CALIFORNIA RESTAURANT RESERVATION ANTIPIRACY ACT TO PROHIBIT THE THIRD-PARTY RESTAURANT RESERVATION MARKET FROM SELLING A RESTAURANT RESERVATION FOR A HIGHER PRICE THAN IT WAS ORIGINALLY OBTAINED?

**SYNOPSIS**

*Typically, diners make reservations at restaurants by contacting the business directly. Most of the time there is no charge to make a reservation, although more popular restaurants or those with higher demand may charge a deposit that is later credited to the customer's final bill. In the past few years, however, getting a reservation has seemingly grown even more difficult with the rise of businesses that employ bots to gobble up dozens of reservations and then turn around and sell them for a profit. This practice not only makes it more difficult and costly for diners to make reservations, but risks negatively impacting restaurants who may be left holding the bag for reservations that are never actually used by a human being. This bill takes aim at this new practice by prohibiting the sale of a reservation for more than what was originally charged, without the restaurant's consent. The bill authorizes a public prosecutor to bring a civil action to enforce the bill, including collecting a civil penalty of up to \$1,000 per violation of the bill's provisions, as well as a private right of action for an individual who suffers actual harm.*

*This bill is sponsored by the California Restaurant Association. It enjoys support from a number of restaurants and business advocates and the Sacramento Metropolitan Chamber of Commerce. There is no known opposition. This bill was previously heard by the Assembly Committee on Privacy and Consumer Protection where it was approved on consent.*

**SUMMARY:** Enacts the California Restaurant Reservation AntiPiracy Act. Specifically, **this bill:**

- 1) Defines "restaurant" as a retail food establishment that prepares, serves, and vends food directly to a consumer.
- 2) Prohibits a person from selling or transferring, or facilitating the sale or transfer of, a reservation for a restaurant for an amount higher than that person paid to acquire the reservation. Exempts a person that has a written agreement with the restaurant that expressly authorizes the person to charge the higher amount.
- 3) Makes a person who violates or causes another person to violate the bill's provisions liable for the following, as applicable, in a civil action brought by the Attorney General, or any county counsel or city attorney, in a court of competent jurisdiction:

- a) A civil penalty not to exceed one thousand dollars (\$1,000) for each violation;
  - b) Injunctive or declaratory relief;
  - c) Reasonable attorney's fees.
- 4) Authorizes an individual or entity who suffers actual harm as a result of the violation to bring a civil action to recover all of the following:
- a) Actual damages;
  - b) Reasonable attorney's fees and costs;
  - c) Injunctive or declaratory relief;
  - d) Any other relief the court deems proper.
- 5) Establishes in the State Treasury the California Restaurant Reservation AntiPiracy Act Fund, into which any civil penalty recovered by the Attorney General must be deposited.
- 6) Makes moneys in the fund available, only upon appropriation by the Legislature, for the purposes of administering the Act.

**EXISTING LAW:**

- 1) Prohibits a food delivery platform from arranging for the delivery of an order from a food facility without first obtaining an agreement with the food facility expressly authorizing the food delivery platform to take orders and deliver meals prepared by the food facility. (Business and Professions Code section 22599.)
- 2) Makes it unlawful for a food delivery platform to charge a customer any purchase price for food or beverage that is higher than the price posted on the food delivery platform's internet website by the food facility at the time of the orders or retain any portion of amounts designated as a tip or gratuity. (Business and Professions Code Section 22599.1 (a).)
- 3) Requires a food delivery platform to prominently disclose to the customer and to the food facility an accurate, clearly identified, and itemized cost breakdown of each transaction. (Business and Professions Code Section 22599.1 (b).)

**FISCAL EFFECT:** As currently in print this bill is keyed fiscal.

**COMMENTS:** AB 1640 takes aim at the third party restaurant reservation market, which appears to pose a significant threat to both consumers and restaurants alike. According to the author:

California's restaurants are essential to our communities and local economies, yet they are increasingly targeted by unauthorized reservation resellers that exploit their reservation systems and monetize a restaurant's inventory, tables, and experiences – all without consent. AB 1640 protects restaurants and consumers by prohibiting these deceptive practices, ensuring that only those with a written agreement can list or sell reservations. This bill also establishes penalties for violators, empowers the Attorney General to take legal action, and

creates a state fund to support enforcement efforts. By holding bad actors accountable, AB 1640 safeguards small businesses and ensures a fair, transparent reservation process for all.

***The third-party restaurant reservation market.*** Traditionally, a would-be diner can obtain a reservation at a popular (or unpopular for that matter) restaurant by calling the restaurant directly. There is usually no charge to make a reservation, although some restaurants may charge a small fee to discourage no-shows, refundable if the reservation is cancelled in a timely manner. More recently consumers have made reservations through phone or computer applications such as Yelp or OpenTable. These businesses can provide reservation coordination services to countless restaurants at once, and the consumer can quickly see whether there is a reservation available on a given date and time. With convenience, however, also comes predatory opportunity. Within the last few years, consumers have been given yet another option – bidding for restaurant reservations or purchasing them from third party sellers. Under this model one company or platform will scoop up most if not all of a restaurant’s available reservations and then turn around to sell them at a profit to diners.

The author and sponsors posit that this causes two issues: first, the restaurants cannot get an accurate gauge of how many of their reservations are actually going to be filled by real-life diners. Instead, they may be left holding the (grocery) bag, having planned to serve 100 dinners through 50 reservations, when in reality 30 of those reservations were taken up by the third-party seller and never transferred to a person. Second, the practice artificially inflates the price of making a reservation at a restaurant. If all the reservations at the hottest new restaurant in town are taken by a single business, then would-be consumers have no other option but to pay for what would otherwise be a free reservation at a price controlled by the platform.

***This bill*** addresses this novel issue by prohibiting a person from selling or transferring a reservation for a restaurant for an amount higher than they paid to acquire it, or facilitating the same. In other words, if someone pays nothing at all for a reservation at The French Laundry, then they could not pass it along to someone else for a dollar. The bill provides an exception where the restaurant has a written agreement to the higher amount. This exemption would seem to allow restaurants to make a personal choice to enter into an agreement, for example with Yelp, to facilitate the promotion and coordination of reservations and include as part of their agreement permission for Yelp to sell the reservation at a higher price. On first impression it seems this permission may slightly undercut the value of this bill to the consumer, however, a third-party seller that sets too high a price may risk losing the business of the restaurant as the restaurant loses out on potential diners. In either case, this policy is within the jurisdiction of the Privacy and Consumer Protection Committee.

What is within the jurisdiction of this analysis on the other hand is the bill’s proposed enforcement mechanism. This bill would make a person who sells or facilitates the sale of a reservation for a higher price in violation of its provisions liable, in a claim brought by a public prosecutor, for a civil penalty of up to \$1,000 for each violation. A prosecutor could also seek injunctive relief, and reasonable attorneys fees. The bill also authorizes a private right of action for an individual or entity who suffers actual harm as a result of a violation, and swaps out the civil penalty authorized to the public prosecutor in favor of a recovery of actual damages, along with any other relief the court deems proper. These enforcement options appear appropriately crafted to help public prosecutors enforce the bills provisions to encourage compliance and therefore the health of local restaurant economies, as well as allow individual restaurants and their owners to seek adequate redress.

**ARGUMENTS IN SUPPORT:** This bill is sponsored by the California Restaurant Association. It enjoys support from Booking.com, Epic Steak, the Golden Gate Restaurant Association, Karl Strauss Brewing Co., Resy, the Sacramento Metropolitan Chamber of Commerce, and group of Sacramento-based restaurants. In support of the bill, the California Restaurant Association submits:

This bill protects restaurants and consumers by banning a deceptive practice that results in a loss of revenue for establishments that experience reservation no-shows and reduced opportunities for the public to dine at their favorite establishments.

Eating establishments constantly look for ways to help maximize occupancy in their businesses, which increasingly includes the use of integrated reservation systems. While restaurateurs use these systems to make booking reservations seamless for customers, there has been a rise in unauthorized third-party reservation services that use bots and fake profiles to hoard reservations and then sell them for a profit – monetizing a restaurant’s inventory of tables in a dining room and creating arbitrary economic barriers for guest access. Restaurants invest in staffing, product procurement, developing brand reputation, and reservation services. When these third parties insert themselves into that system without an agreement and intrude on the complex system for managing reservations, it creates several hardships for consumers and restaurants. Firstly, customer confusion – guests may assume that the establishment is involved in the reservation sales, possibly devaluing the experience for the guest because of the increased expectations that come with an inflated price. Consequently, this has created a system where only people with the means to pay for inflated reservation prices can acquire them and enjoy these restaurants.

Moreover, operational disruptions may arise from the mishandling of reservations by these third parties, potentially harming the guest experience and the reputation of the restaurant. Similarly, when these third parties are unable to resell reservations, nobody shows up – resulting in a situation where employees lose a tipped-earning opportunity, and the restaurants experience a revenue loss. These no-shows are especially harmful for neighborhood restaurants that rely on legitimate reservations to plan for anticipated costs.

Ultimately, unauthorized third-party reservation companies profit by charging exorbitant fees for reservations while making no investment or taking any risk in that same restaurant. AB 1640 is a sensible measure that helps restore control of a dining room back to restaurant operators, while removing artificial economic barriers of entry for potential guests.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Restaurant Association (sponsor)  
Booking.com, B.v.  
California Attractions and Parks Association  
California Travel Association  
Epic Steak  
Golden Gate Restaurant Association  
Karl Strauss Brewing Co  
Resy

Sacramento Metropolitan Chamber of Commerce  
Zinfandel Grill, Prelude Kitchen & Bar, Interlude Kitchen & Bar

**Opposition**

None on file

**Analysis Prepared by:** Manuela Boucher-de la Cadena / JUD. / (916) 319-2334