

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1640 (Stefani) – As Amended March 2, 2026

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| Policy Committee: | Privacy and Consumer Protection | Vote: | 15 - 0 |
| | Judiciary | | 12 - 0 |

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill prohibits the sale of a restaurant reservation for more than what was originally charged for that reservation without the restaurant’s consent. The bill also authorizes a public prosecutor to bring a civil action for civil penalties up to \$1,000, as well as a private right of action for an individual who suffers actual harm.

FISCAL EFFECT:

- 1) Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department will incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur any costs.
- 2) Cost pressures (Trial Court Trust Fund) of an unknown but potentially significant amount to the courts to adjudicate any additional filings. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.
- 3) Cost pressure (General Fund) of an unknown but potentially significant amount for establishing the Reservation AntiPiracy Act Fund. Potential offsetting penalty revenues from the fund intended for enforcement activities.

The Legislative Analyst’s Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

COMMENTS:

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.” The author appears to identify a problem concentrated in the state’s most urban areas. Within the last few years, would-be diners in popular restaurants might have to bid for restaurant reservations or purchase them from third-party sellers because original reservations are scooped by online bots. The Privacy Committee’s analysis describes this restaurant reservation “scalping” phenomenon in detail, explaining how it increases potential costs to consumers and may harm a restaurant’s reputation and lead to economic losses due to over-purchasing of ingredients and overstaffing. This bill tries to tackle the problem by prohibiting any person from selling restaurant reservations for more than was paid for the reservation unless the person has a written agreement with the restaurant. The bill also authorizes a public prosecutor to bring a civil action for civil penalties up to \$1,000, as well as a private right of action for an individual who suffers actual harm.

Analysis Prepared by: Shiran Zohar / APPR. / (916) 319-2081