

SENATE JUDICIARY COMMITTEE  
Senator Thomas Umberg, Chair  
2025-2026 Regular Session

AB 1640 (Stefani)  
Version: March 2, 2026  
Hearing Date: June 16, 2026  
Fiscal: Yes  
Urgency: No  
AWM

**SUBJECT**

California Restaurant Reservation AntiPiracy Act

**DIGEST**

This bill prohibits a person from selling or transferring, or facilitating the sale or transfer of, a restaurant reservation for an amount higher than they price they paid for the reservation, unless the person has a written agreement with the restaurant expressly permitting them to charge a higher amount.

**EXECUTIVE SUMMARY**

Restaurant reservations benefit restaurants and consumers. The restaurant gets a sense of how busy it's likely to be on a given night, allowing it to more efficiently plan seating charts and divide up tables between servers. The consumer gets to show up for dinner without having to worry about a wait for a table. Because reservations are a win-win, restaurant reservations are virtually always free, though some restaurants require a deposit or charge a no-show fee to reduce their losses in the event a diner doesn't make it. Increasingly, restaurants offer reservations through online platforms; in theory, letting consumers make reservations online at any time, and letting them see available dates and times for reservations, is more convenient for both the restaurant and the consumer.

In the spirit of "we can't have nice things," however, a secondary market for reservations has sprung up to profit off of free reservations. These "reservation marketplaces" advertise themselves as merely connecting diners who need to offload a reservation – say, because a conflict arose on the reservation date – with diners who want a reservation at the same restaurant. But in practice, these marketplaces make it profitable for individuals – often, but not always, using bots – to scoop up all available free reservations, so that the *only* way a diner can get a reservation is to pay for it. The restaurant still bears all the risk and downside of a missed reservation; the consumer

has to pay for a free thing; the only winner is the reservation pirate who gamed the system.

This bill puts a stop to reservation pirating in the state by prohibiting any person from selling restaurant reservations for more than what was paid for the reservation, unless the person has a written agreement with the restaurant to do so. Under the bill, therefore, reservation resales would still be allowed in two circumstances: when the reservation is resold at its original cost (thereby allowing consumers to recoup deposits they would otherwise lose), or when the reservation is resold with the consent of the restaurant (thereby allowing restaurants to choose whether, and on what terms, to work with reservation resellers, and giving restaurants a greater degree of certainty regarding reservations). The bill is enforceable by a public prosecutor and creates a private right of action for persons actually harmed by a violation. The author has agreed to a minor amendment to clarify that the bill applies only to restaurants located in this state.

This bill is sponsored by the California Restaurant Association and is supported by the California Attractions and Parks Association, Epic Steak, the Golden Gate Restaurant Association, Karl Strauss Brewing Company, Open Table, the Sacramento Metropolitan Chamber of Commerce, and Zinfandel Grill + Prelude Kitchen & Bar + Interlude Kitchen & Bar. The Committee has not received timely opposition to this bill. If this Committee passes this bill, it will be referred to the Senate Business, Professions and Economic Development Committee.

### **PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Prohibits a person from using, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under the Model State Trademark Law in connection with the sale, distribution, offering for sale, or advertising of goods or services if such use is likely to cause confusion or mistake, or to deceive as to the source of origin of the goods or services. (Bus. & Prof. Code, § 14245(a)(1).)
- 2) Establishes the Unfair Competition Law (UCL), which provides a statutory cause of action for any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising, including over the internet. (Bus. & Prof. Code, div. 7, pt. 2, ch. 5, §§ 17200 et seq.)
- 3) Prohibits a food delivery platform, as defined, 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. (Bus. & Prof. Code, § 22599(a).)

- 4) Prohibits a person from selling, or offering to sell, an appointment with the Department of Motor Vehicles. (Veh. Code, § 1680(a).)

This bill:

- 1) Establishes the California Restaurant Reservation AntiPiracy Act (Act).
- 2) Defines “restaurant” as a retail food establishment that prepares, serves, and vends food directly to the customer.
- 3) Provides that a person shall not sell or transfer, or facilitate the sale or transfer of, a reservation for a restaurant for an amount higher than the person paid to acquire the reservation.
- 4) Provides that 3) does not apply if the person has a written agreement with the restaurant that expressly authorizes the person to charge the higher amount.
- 5) Provides that a person who violates the Act or causes another person to violate the Act shall be liable for the following, as applicable, in a civil action brought by the Attorney General, or any county or city attorney, in a court of competent jurisdiction:
  - a) A civil penalty not to exceed \$1,000 per violation.
  - b) Injunctive or declaratory relief.
  - c) Reasonable attorney’s fees.
- 6) Provides that an individual or entity who suffers actual harm as a result of a violation of the Act may 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.
- 7) Creates in the State Treasury the California Restaurant Reservation AntiPiracy Fund, into which any civil penalty recovered by the Attorney General pursuant to 5) shall be deposited.
- 8) Provides that money in the fund under 8) shall be available, only upon appropriation by the Legislature, for the purpose of administering the Act.

## COMMENTS

### 1. Author's comment

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.

### 2. Restaurants, online reservations, and reservation poaching

California's restaurant industry generates over \$220 billion in annual sales, and the restaurant and food service industry supports a workforce of approximately 1.85 million jobs, making it one of the state's largest private-sector employers.<sup>1</sup> From taco trucks to three-Michelin-starred dining experiences, California's restaurant scene is one of the most diverse and delicious in the world.<sup>2</sup>

Restaurants in California, and across the country, increasingly rely on third-party reservation platforms such as OpenTable, Tock, and Resy. These apps allow restaurants to outsource their reservation management to the platform in exchange for a fee, which can often include both a monthly subscription fee and a per-booking commission.<sup>3</sup> For restaurants, allowing their consumers to make reservations at any time, whether or not the restaurant is open, and to easily view open dates and times is often worth the added expense.

The rise of online reservation sites has, in turn, led to the rise of a secondary restaurant reservation market, in which sites like Cita Marketplace and Appointment Traders act as "marketplaces" for the transfer and procurement of reservations. These sites portray

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<sup>1</sup> Arora, California Restaurant Industry Statistics: Market Trends, Employment Data & Growth Insights (last updates Jan. 9, 2026) Restroworks Blog, <https://www.restroworks.com/blog/california-restaurant-industry-statistics/>. All links in this analysis are current as of June 11, 2026.

<sup>2</sup> Committee staff may be biased.

<sup>3</sup> OpenTable, for example, charges a fee of \$1 or \$1.50 for every seat booked through the platform in addition to a monthly fee ranging from \$149 to \$499. (OpenTable, Find the plan that fits your business (2026) <https://www.opentable.com/restaurant-solutions/plans/>.) Its various subscription tiers also offer to provide the restaurant with "360 guest profiles" based on information OpenTable has obtained from consumer-users; its "Pro" tier offers unspecified "even more guest insights." (*Ibid.*)

themselves as merely matching willing sellers with willing buyers; Appointment Traders, for example, brands themselves as the eBay of time slots, allowing users to “buy someone else’s confirmed reservation, or create a reward (bid) for someone to secure one on [the user’s] behalf.”<sup>4</sup> If a person wants to dine at a restaurant on a particular day but there are no available reservations on Appointment Trader, they can either instantly purchase a reservation that another user has already put up for sale (like eBay’s “buy it now” feature); alternatively, they can offer a bid to Appointment Trader “concierges,” who will obtain the desired reservation if the price is right.<sup>5</sup>

At the time of the drafting of this analysis, Kru, a popular Sacramento restaurant, has no available reservations on Resy for the rest of the day. Appointment Trader, on the other hand, purports to have at least one secured reservation for this evening; Appointment Trader’s suggested bid amount is \$574, though the “hot zone,” i.e., the range at which Appointment Trader believes a bid is most likely to be accepted, starts at \$1003 and goes to \$3933. The maximum bid Appointment Trader will accept for the Kru reservation is \$5,025; it is unclear why, except perhaps to anchor the \$3,933 amount as a normal price to pay for a reservation that initially cost nothing.

Although there is probably some actual utility added by reservation marketplaces — if a person can’t make their prepaid reservation, being able to sell it to a willing buyer prevents them from losing those costs — evidence suggests that reservation marketplaces are mostly driven by bots and human rent-seekers.<sup>6</sup> Rent-seeking is conduct that “doesn’t generate wealth exceeding the cost of the conduct itself, and is therefore motivated by the potential for wealth transfer.”<sup>7</sup> In other words, rent-seeking enables the rentier to profit without contributing anything useful. In the case of reservation marketplaces, most restaurants offer their reservations for free; the bots or rent-seeking humans snatch up the reservations en masse with no intention of using them, but rather only to accumulate enough reservations that potential diners are forced to purchase a reservation that should have been free.

Reservation pirating hurts customers and restaurants. Customers are forced to choose between skipping out on a planned visit or paying for what should be a free reservation, and their overall costs increase. Restaurants lose out in several ways. First, when reservations are booked by reservation pirates and ultimately not sold, the restaurant is left with unfilled reservations and empty tables. Second, if customers end up having to pay for a reservation, they may end up spending less at the restaurant

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<sup>4</sup> Appointment Trader, “How AppointmentTrader Works for Customers” (2026) <https://appointmenttrader.com/how-it-works/customers>.

<sup>5</sup> *Ibid.*

<sup>6</sup> Iscoe, “Why You Can’t Get a Restaurant Reservation” (Apr 22, 2024) *The New Yorker*, available at <https://www.newyorker.com/news/our-local-correspondents/why-you-cant-get-a-restaurant-reservation>; Bennett, *Reservations at top New York City restaurants are selling for hundreds of dollars* (May 11, 2024) NBC News, <https://www.nbcnews.com/news/us-news/reservations-top-new-york-city-restaurants-are-selling-hundreds-dollar-rcna151702>.

<sup>7</sup> Seidenfeld & Mungan, *Duress as Rent-Seeking* (Apr. 2015) 99 *Minn. L. Rev.* 1423, 1435.

(particularly now, when consumer costs are so high). Third, customers who repeatedly cannot get a seat might ultimately give up, costing the restaurant a customer through no fault of the restaurant's own. Reservation reseller sites generally operate without the restaurants' consent, meaning all of the upside flows to the reservation reseller, while the restaurant bears all of the downside.

### 3. This bill prohibits restaurant piracy

This bill prohibits any person from selling restaurant reservations for more than was paid for the reservation unless the person has a written agreement with the restaurant to do so. Under the bill, therefore, reservation resales would still be allowed in two circumstances: when the reservation is resold at its original cost (thereby allowing consumers to recoup deposits they would otherwise lose), or when the reservation is resold with the consent of the restaurant (thereby allowing restaurants to choose whether, and on what terms, to work with reservation resellers, and giving restaurants a greater degree of certainty regarding reservations). The author has agreed to amend the bill to clarify that it applies only to restaurants located within the state.

The bill permits the Attorney General, or any county counsel or city attorney, to pursue a civil action for a violation of the bill; a violator is subject to a civil penalty of up to \$1,000 for each violation. Additionally, individuals or entities that are harmed by a violation of the bill may bring a civil action to recover actual damages, as well as reasonable attorney's fees and costs. In both cases, the court may award injunctive or declaratory relief as needed.

If this bill passes, California will not be the first state to prohibit predatory reservation selling. New York passed an anti-reservation-piracy law in 2024 and it took effect last year;<sup>8</sup> Florida, Illinois, Louisiana, and Nevada also passed similar laws in 2025.<sup>9</sup>

### 4. Arguments in support

According to a coalition of the bill's supporters:

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.

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<sup>8</sup> N.Y. Gen. Bus. Law., § 391-w (Fernandez 2023).

<sup>9</sup> Fla. Stats. § 509.105; Ill. Comp. Stats., Act 672, §§ 672/1 et seq.; La. Rev. Stats. 51:3291; Nev. Rev. Stats. § 597.895.

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.

### **SUPPORT**

California Restaurant Association (sponsor)  
California Attractions and Parks Association  
Epic Steak  
Golden Gate Restaurant Association  
Karl Strauss Brewing Company  
Open Table  
Sacramento Metropolitan Chamber of Commerce  
Zinfandel Grill + Prelude Kitchen & Bar + Interlude Kitchen & Bar

### **OPPOSITION**

None received

### **RELATED LEGISLATION**

Pending legislation: None known.

Prior legislation: AB 1245 (Stefani, 2025) as originally drafted, was similar in intent to this bill, but targeted its prohibitions against third-party reservation services rather than reservation sellers. AB 1245 was held in the first committee and ultimately was gutted and amended to address different subject matter.

**PRIOR VOTES**

Assembly Floor (Ayes 78, Noes 0)

Assembly Appropriations Committee (Ayes 15, Noes 0)

Assembly Judiciary Committee (Ayes 12, Noes 0)

Assembly Privacy and Consumer Protection Committee (Ayes 15, Noes 0)

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