
**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**
Senator Aisha Wahab, Chair
2025 - 2026 Regular

Bill No: AB 1640
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Version: June 22, 2026
Urgency: No
Consultant: Sarah Mason

Hearing Date: June 29, 2026

Fiscal: Yes

Subject: California Restaurant Reservation AntiPiracy Act

SUMMARY: Establishes the California Restaurant Reservation Anti-Piracy Act, which prohibits a person from selling, transferring, or facilitating the sale or transfer of a restaurant reservation for more than the amount originally paid unless expressly authorized by a written agreement with the restaurant. Authorizes enforcement by the Attorney General and local prosecutors through civil penalties of up to \$1,000 per violation, injunctive relief, and attorney's fees, creates a private right of action for parties harmed by violations, and establishes a special fund to support administration of the act.

NOTE: *This bill was previously heard in the Senate Committee on Judiciary on June 16 and passed by a vote of 11-0.*

Existing law:

- 1) Establishes the Unfair Competition Law, which prohibits any unlawful, unfair, or fraudulent business act or practice and authorizes enforcement by the Attorney General and specified local prosecutors. (Business and Professions Code (BPC) §§ 17200 et seq.)
- 2) Prohibits untrue or misleading statements made in connection with the sale or disposition of property or services and authorizes civil and criminal enforcement against false advertising. (BPC §§ 17500 et seq.)
- 3) Regulates third-party food delivery platforms by establishing requirements governing their relationships with restaurants, including specified consumer disclosures and restrictions on certain business practices. (BPC §§ 22598 et seq.)
- 4) Regulates ticket sellers by requiring, among other things, that ticket sellers maintain a permanent business address, make specified disclosures to consumers, maintain records of ticket sales, refrain from advertising or selling tickets they do not possess or have the contractual right to sell, provide refunds under specified circumstances, and comply with other consumer protection requirements governing the sale and resale of event tickets. (BPC §§ 22500–22508.)
- 5) Prohibits the use, sale, or distribution of software or services that circumvent security measures or purchasing limits for online ticket sales. (BPC § 22505.5.)

- 6) Provides that a person shall not sell or offer for sale any ticket to a place of entertainment at a price greater than the price printed on the ticket if the ticket was originally issued without charge or at a complimentary or reduced rate and bears a notice prohibiting resale. (Penal Code § 346)
- 7) Federal law prohibits the Better Online Ticket Sales Act of 2016 and the circumvention of security measures or access controls used by online ticket sellers to enforce posted event ticket purchasing limits and prohibits the resale of tickets obtained through those unlawful means, enforced by the Federal Trade Commission. (15 U.S.C. § 45c)

This bill:

- 1) Establishes the California Restaurant Reservation Anti-Piracy Act which defines a “restaurant” as a retail food establishment in California that prepares, serves, and sells food directly to customers.
- 2) Prohibits a person from selling, transferring, or facilitating the sale or transfer of a restaurant reservation for an amount greater than the amount paid to acquire the reservation, unless the person has a written agreement with the restaurant expressly authorizing the higher price.
- 3) Authorizes the Attorney General, county counsel, or city attorney to bring a civil action against a person who violates the Act. Authorizes a court to impose a civil penalty of up to \$1,000 per violation, as well as injunctive or declaratory relief and reasonable attorney's fees in an enforcement action brought by a public prosecutor. Authorizes an individual or entity that suffers actual harm as a result of a violation to bring a civil action to recover actual damages, reasonable attorney's fees and costs, injunctive or declaratory relief, and any other relief the court deems proper.
- 4) Creates the California Restaurant Reservation Anti-Piracy Act Fund in the State Treasury and requires civil penalties recovered by the Attorney General to be deposited into the fund. Provides that moneys in the fund shall be available, upon appropriation by the Legislature, for the administration and enforcement of the Act.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, the bill will result in possible General Fund and special fund costs to the Department of Justice of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing needed. The bill could also result in cost pressures of an unknown but potentially significant amount to the courts to adjudicate any additional filings and cost pressure of an unknown but potentially significant amount to establish the Reservation AntiPiracy Act Fund.

COMMENTS:

1. **Purpose.** The California Restaurant Association is the sponsor of this bill. 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 Author says that “In recent years, the unauthorized sale of restaurant reservations has become a growing concern, particularly in major cities. These unauthorized reservation resellers engage in predatory practices by securing highly coveted restaurant reservations, often under false pretenses, and selling them for personal profit. These platforms create artificial scarcity, charge consumers for otherwise often free reservations, and not only do they not have formal agreements in place, but they also often never even let the restaurant know that they are selling their reservations online.

This practice not only makes dining out more expensive for consumers but also creates logistical disruptions for restaurants, leading to increased no-show rates and lost revenue. Restaurants operate on razor-thin profit margins and a few no-shows on any given day – which are increasingly the byproduct of reservation piracy, can result in independent restaurants being unprofitable or employees losing tipped earning opportunities. Additionally, numerous instances have been reported of predatory restaurant reservation resellers double-booking reservations, forcing diners to be turned away at the door without a remedy to recoup their reservation fee.

Recognizing these challenges, New York enacted the Restaurant Reservation Anti-Piracy Act in December 2024 – which prohibits anyone from arranging reservations without a direct agreement with restaurants, effectively targeting the underground market for restaurant bookings.”

2. **Background.** California has long regulated unfair business practices and deceptive commercial conduct through the Unfair Competition Law (BPC §§ 17200 et seq.) and the False Advertising Law (BPC §§ 17500 et seq.). The Legislature has also enacted laws governing certain secondary marketplaces, including the sale and resale of event tickets (BPC §§ 22500 et seq.) and the use of automated software to circumvent online ticket purchasing limits (BPC § 22505.5). California regulates third-party food delivery platforms by requiring agreements with restaurants and established specified consumer protection requirements (BPC §§ 22598 et seq.) California law also generally does not prohibit the resale of goods or services for more than the amount originally paid. Existing ticket resale laws are directed toward specific consumer protection concerns, such as seller disclosures, contractual authority to sell tickets, refund obligations, and the use of automated software to evade purchasing limits. Similarly, restaurant delivery platform laws govern the relationship between restaurants and online intermediaries but do not address the resale or transfer of restaurant reservations. As a result, existing law does not specifically regulate the secondary market for restaurant reservations.

In recent years, the resale of restaurant reservations has received increased national attention as online marketplaces have emerged that allow users to buy and sell reservations at high-demand restaurants. In a March 2025 article, *Eater* San Francisco reported that platforms such as Appointment Trader facilitate the sale of reservations for sought-after restaurants, including several well-known California establishments, with some reservations advertised for hundreds or even thousands of dollars despite the reservations themselves often being offered by restaurants at no charge. *Eater* further reported that supporters of legislation regulating these marketplaces contend that the practice may reduce reservation availability for the general public and create operational challenges for restaurants when reservations are acquired for resale rather than genuine dining plans.

The issue has also been the subject of broader national reporting. The *New York Times* has reported on the growth of online marketplaces for restaurant reservations and the emergence of a secondary market in which reservations at popular restaurants are treated as transferable commodities, prompting debate among restaurants, consumers, and policymakers regarding fairness, access, and the appropriate role of reservation platforms. In response to these developments, New York became the first state to enact legislation specifically regulating the unauthorized resale of restaurant reservations through its Restaurant Reservation Anti-Piracy Act. AB 1640 proposes a similar policy approach by regulating the resale of restaurant reservations in California.

3. **Arguments in Support.** Supporters write that “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 AND OPPOSITION:

Support:

Booking.com
California Attractions and Parks Association
California Restaurant Association
California Travel Association
Epic Steak
Golden Gate Restaurant Association
Interlude Kitchen & Bar
Karl Strauss Brewing Co
Resy
Sacramento Metropolitan Chamber of Commerce
Prelude Kitchen & Bar
Zinfandel Grill

Opposition:

None received

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