
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2721 (Carrillo) - Unfair Competition Law: hotels

Version: July 2, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: JUD. 10 - 2

Mandate: No

Consultant: Bob Franzoia

Bill Summary: AB 2721 would require a hotel operator to disclose the existence of any reservation that the operator knows or should have known the hotel has with the US Customs and Border Protection or US Immigration and Customs Enforcement by posting a notice prominently displayed to both employees and guests.

Fiscal Impact: Unknown, potentially significant court cost pressure if the Attorney General (AG) brings civil actions for violations against any person who engages in a deceptive act or practice. Actual costs will depend on the number of actions filed and the amount of time needed to adjudicate each case. Jury trials would likely be few.

Potentially significant court cost pressure as the UCL permits private plaintiffs to bring civil actions, in this case where a hotel and its operator fail to post a notice disclosing the presence of federal law enforcement on the premises. Although courts are not funded based on workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts. The proposed FY 2026-07 Governor's budget would provide \$70 million General Fund support (Trial Court Trust Fund, General Fund).

Related Legislation: SB 1257 (Arreguín), 2026 requires the AG to submit to the Legislature and post on its internet website, on or before October 30, 2027, and annually thereafter, a report regarding immigration enforcement incidents and activities conducted at designated safe locations, as specified. SB 1257 is pending in the Assembly Appropriations Committee.

SB 1103 (Pérez), 2026 requires a large home improvement retailer, as defined, to provide the AG with copies of specified documentation regarding immigration enforcement activity that occurs on the retailer's premises and authorizes the AG or a person acting in the public interest to bring a civil action for injunctive relief. SB 1103 is pending before the Assembly Appropriations Committee.

AB 2662 (Carrillo) 2026 establishes the Working Group on Civil Rights Accountability within the Department of Justice to monitor, document, analyze, and report on alleged violations of constitutional and civil rights arising from immigration enforcement activities conducted within the state by federal agencies. AB 2662 is pending before the Senate Appropriations Committee.

AB 1807 (Gabriel), 2026 prohibits the use of state-owned property for immigration enforcement purposes, requires the Department of General Services to identify and post signage upon state-owned properties that have been used, or likely will be used,

for immigration enforcement. AB 1807 is pending before the Senate Appropriations Committee.

AB 1806 (Gabriel), 2026 requires the Attorney General to conduct an independent, transparent, and thorough investigation of incidents of federal immigration enforcement officer-involved shooting of a civilian and permits the state prosecutor to criminally prosecute the federal immigration enforcement officer. AB 1806 is pending before the Senate Appropriations Committee.

Staff Comments: Unlike the AG, who may seek significant civil penalties for UCL violations, the remedies available to private plaintiffs are more limited. They may seek neither penalties nor damages to compensate for injuries caused by the violation. Instead, private plaintiffs may seek an injunction to halt the unfair, unlawful or fraudulent practice and restitution of any gain obtained as a result of the violation. As injunctions and restitution are equitable remedies that do not require submission to a jury, private UCL actions are tried before a judge, who has the sole discretion to determine if the alleged wrongful act is an unfair, fraudulent, or unlawful business practice and to determine the appropriate equitable remedy. A court may order restitution in a UCL action without individual proof of injury if it determines that such a remedy is necessary to prevent the unfair practice. Neither public prosecutors or private plaintiffs may seek punitive damages under the UCL.

Proposed Author Amendments: The author has a suspense file amendment which will repeal the provisions of the bill on January 1, 2029.