

THIRD READING

Bill No: AB 2721
Author: Carrillo (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE JUDICIARY COMMITTEE: 10-2, 6/30/26

AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Wahab, Weber
Pierson, Wiener

NOES: Niello, Valladares

NO VOTE RECORDED: Stern

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/13/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 52-20, 5/27/26 - See last page for vote

SUBJECT: Unfair Competition Law: hotels

SOURCE: UNITE HERE Local 11

DIGEST: This bill requires an operator of a hotel with actual knowledge of a reservation by U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement (ICE) on the premises to post a notice in a prominent and accessible place to hotel workers that discloses the possible presence of those federal officers on the premises, as specified; requires an operator of a hotel with actual knowledge of a reservation by U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement on the premises to disclose the potential presence of U.S. Immigration and Customs Enforcement or U.S. Customs and Border Protection during a guest's reservation upon request by a guest at the time of check-in; and specifies that liability of the operator for a violation of these provisions shall not exceed \$5,000 per reservation with the U.S. Customs and Border Protection or the U.S. Immigration and Customs Enforcement.

ANALYSIS:

Existing law:

- 1) Prohibits state law enforcement agencies from using agency or department moneys or personnel to investigate, interrogate, detain, detect, or arrest persons for immigration enforcement purposes, as specified, place peace officers under the supervision of federal agencies, use immigration authorities as interpreters for law enforcement matters, transfer an individual to immigration authorities unless authorized by a judicial warrant, provide office space exclusively dedicated to immigration authorities, and contract with the federal government for the use of law enforcement agency facilities to house individuals as federal detainees for the purposes of civil immigration custody, as specified. (Government (Gov.) Code § 7284.6.)
- 2) Prohibits a city, county, city and county, or local law enforcement agency that does not, as of January 1, 2018, have a contract with the federal government or any federal agency or a private corporation to house or detain noncitizens for purposes of civil immigration custody, from entering, on or after January 1, 2019, into a contract with the federal government or any federal agency or a private corporation, to house or detain in a locked detention facility noncitizens for purposes of civil immigration custody, and prohibits a city, county, city and county, or local law enforcement agency that, as of January 1, 2018, has an existing contract with the federal government or any federal agency or a private corporation to detain noncitizens for civil immigration custody, from renewing or modifying that contract in a manner that would expand the maximum number of contract beds that may be utilized to house or detain noncitizens for civil immigration custody. (Civil (Civ.) Code § 1670.9.)
- 3) Prohibits a city, county, city and county, or local law enforcement agency that does not, as of June 15, 2017, have a contract with the federal government or any federal agency to detain adult noncitizens for purposes of civil immigration enforcement from entering into a new contract with the federal government or any federal agency, to house or detain in a locked detention facility owned and operated by a local entity, noncitizens for purposes of civil immigration custody. Prohibits a local government or law enforcement agency that, as of June 15, 2017, has an existing contract to detain adult noncitizens for purposes of civil immigration custody, from renewing or modifying that contract to expand the maximum number of contract beds that may be utilized to house or detain in a locked detention facility noncitizens for purposes of civil immigration custody. (Gov. Code § 7310.)

- 4) Establishes the Unfair Competition Law (UCL) to prohibit unlawful, unfair, or fraudulent business acts or practices and unfair, deceptive, or untrue or misleading advertising, as specified, including anything that is “a business practice and that at the same time is forbidden by law.” Provides that the Attorney General, a district attorney, and city attorneys and county counsel of cities or counties of more than 750,000 people, may bring a civil action for injunctive relief and civil penalties of up to \$2,500 for an unfair business practice, and permits a private plaintiff who has suffered injury in fact and lost money because of the unfair competition to bring a limited action for restitution and injunctive relief. (Business & Professions (Bus. & Prof.) Code §§ 17200 et seq., *Nolte v. Cedars-Sinai Medical Center* (2015) 236 Cal.App.4th 1401, 1407.)
- 5) Defines “hotel” to mean any hotel, motel, bed and breakfast inn, or other similar transient lodging establishment, but does not include any residential hotel as defined in Health and Safety Code section 50519. (Bus. & Prof. Code § 17210.)

This bill:

- 1) Requires a hotel operator with actual knowledge of a reservation with the U.S. Customs and Border Protection (CBP) or U.S. Immigration and Customs Enforcement (ICE) on its premises to, no later than the time of arrival of an employee of that federal entity, post a notice in a prominent and accessible place where it can be seen by all workers that discloses the potential presence of CBP or ICE on its premises.
- 2) Requires the operator to ensure that the notice remains prominently displayed for the duration of the reservation.
- 3) Specifies that each work shift that an operator of a hotel fails to comply with the requirements of (1) and (2), above, constitutes a violation of these provisions.
- 4) Requires an operator with actual knowledge of a reservation with the U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement on its premises to, upon request of a guest with a reservation at the time of check-in, disclose the potential presence of U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement on its premises during the guest’s reservation.

- 5) Specifies that an operator who has established a protocol to comply with this section in good faith shall be found in compliance with these provisions.
- 6) Specifies that this bill's requirements do not impose any duty on an operator to seek information.
- 7) Specifies that the hotel and its operator shall not be liable for loss of life, injuries, violations, penalties, liabilities, or any damages that might occur pursuant to compliance with the requirements of these provisions.
- 8) Deems a violation of these provisions engaging in unfair competition for the purposes of the UCL and subject to a civil penalty of \$2,500 for each violation.
- 9) Specifies that the liability of the operator of a hotel for violations of these provisions shall not exceed \$5,000 per reservation with the U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement.
- 10) Repeals these provisions on January 1, 2029.
- 11) Defines, for the purposes of these provisions, the following:
 - a) "hotel" to have the same meaning as Business and Professions Code section 17210;
 - b) "operator" to mean a person who is the owner of the hotel or who, at a minimum, meets both of the following:
 - i. is employed directly by the hotel owner or an entity charged with overseeing the day-to-day operations of the hotel; and
 - ii. is classified as a "manager" by title and works 40 or more hours per week at the hotel.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

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).

SUPPORT: (Verified 8/14/26)

UNITE HERE Local 11 (source)
California Federation of Labor Unions, AFL-CIO
California Latino Legislative Caucus

OPPOSITION: (Verified 8/14/26)

Asian American Hotel Owners Association
California Chamber of Commerce
California Hotel & Lodging Association
Tri County Chamber Alliance

ARGUMENTS IN SUPPORT:

According to UNITE HERE, Local 11, which is the sponsor of AB 2721:

AB 2721 is a commonsense transparency measure. As amended, the bill requires hotels to provide notice when they knowingly host, or should know they are hosting, U.S. Immigration and Customs Enforcement (ICE) or U.S. Customs and Border Protection (CBP). The bill does not regulate federal law enforcement activities, disclose personal information, or prohibit hotels from contracting with these agencies. It simply ensures that workers and guests are informed when these agencies are present.

For our members, this issue is not abstract. Hotel workers have raised serious concerns about the presence of federal agents in hotels, including fear, uncertainty, and workplace safety concerns. Workers deserve to know the conditions of their workplace before they walk in. Families on vacation and people traveling for work likewise deserve transparency about the conditions of the places where they stay.

The Assembly amendments significantly narrowed and clarified the bill. AB 2721 now applies only to ICE and CBP reservations, only where a hotel operator knows or should know of the reservation and requires only a neutral notice identifying the agency and the duration of its stay. We appreciate these

amendments and support the bill in its current form. They ensure the bill remains narrowly tailored while advancing its core purpose: transparency.

Hotels routinely provide notice when amenities are unavailable or hotel operations may be affected. AB 2721 applies that same principle of transparency to federal immigration enforcement activity. Families on vacation, business travelers, and hotel workers alike deserve to know the conditions of the places where they stay and work. No one should be left in the dark about the presence of federal immigration enforcement agencies in a hotel.

ARGUMENTS IN OPPOSITION:

According to the Asian American Hotel Owners Association, which opposes AB 2721:

While the bill has been narrowed to apply specifically to reservations associated with Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP), the fundamental concerns remain unchanged. AB 2721 creates new legal, operational, and compliance burdens for hotel owners while establishing a troubling precedent that undermines long-standing hospitality principles centered on guest privacy and operational discretion. [...]

The bill further requires hotels to publicly display notices in advance of a reservation, maintain those notices throughout the duration of the stay, and identify the government agency involved. These requirements place hotel operators in the unprecedented position of monitoring and publicly disclosing guest-related government activity. Hotels are not law enforcement agencies and should not be tasked with investigating, tracking, or publicly reporting the nature of guest reservations.

For independent hotel owners, who comprise the overwhelming majority of AAHOA's California membership, these mandates create substantial compliance challenges. Unlike large corporations with dedicated legal and compliance departments, many small business hotel owners lack the resources necessary to navigate vague statutory requirements and the legal risks associated with potential violations.

California's hospitality industry continues to face significant economic challenges, including rising labor costs, escalating insurance premiums, increased regulatory mandates, and ongoing recovery pressures in many markets. AB 2721 adds another layer of uncertainty, compliance obligations,

and potential litigation exposure without providing a clear or practical framework for implementation.

ASSEMBLY FLOOR: 52-20, 5/27/26

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Lee, Lowenthal, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Pellerin, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

NO VOTE RECORDED: Bains, Krell, McKinnor, Patel, Petrie-Norris, Quirk-Silva, Celeste Rodriguez, Schiavo

Prepared by: Ian Dougherty / JUD. / (916) 651-4113
8/24/26 14:05:01

**** END ****