

Senate Bill No. 644

CHAPTER 718

An act to amend Section 1748.40 of, to add the heading of Chapter 1 (commencing with Section 1748.40) to, and to add Chapter 2 (commencing with Section 1748.80) to, Title 1.3.5 of Part 4 of Division 3 of the Civil Code, relating to business.

[Approved by Governor October 10, 2023. Filed with Secretary of State October 10, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 644, Glazer. Hotel and private residence rental reservations: cancellation: refunds.

The Unfair Competition Law (UCL) makes various unfair competition practices unlawful, including any unlawful, unfair, or fraudulent business act or practice.

Existing law regulates consumer refunds specific to certain industries under specified circumstances.

This bill would require a hotel, third-party booking service, hosting platform, or short-term rental, as defined, to allow a reservation for a hotel accommodation or a short-term rental located in California to be canceled without penalty for at least 24 hours after the reservation is confirmed if the reservation is made 72 hours or more before the time of check-in. This bill would require, if a consumer cancels a reservation pursuant to that provision, the hotel, third-party booking service, hosting platform, or short-term rental to issue a refund to a consumer for all amounts paid to the hosting platform, hotel, third-party booking service, or short-term rental to the original form of payment within 30 days of the cancellation of the reservation.

This bill would authorize certain public attorneys, including the Attorney General, to bring an enforcement action, as provided. The bill would require a court to impose a civil penalty of not more than \$10,000 for each violation pursuant to consideration of specified factors. The bill would exempt certain types of reservations from its provisions, including a reservation made for a negotiated rate that was not advertised, or otherwise made available, for booking by the general public.

The people of the State of California do enact as follows:

SECTION 1. The heading of Chapter 1 (commencing with Section 1748.40) is added to Title 1.3.5 of Part 4 of Division 3 of the Civil Code, to read:

CHAPTER 1. PREPAID DEBIT CARDS

SEC. 2. Section 1748.40 of the Civil Code is amended to read:

1748.40. For purposes of this chapter:

(a) “Accepted debit card” means any debit card which the debit cardholder has requested and received or has signed, or has used, or has authorized another person to use, for the purpose of obtaining money, property, labor, or services. Any debit card issued in renewal of, or in substitution for, an accepted debit card becomes an accepted debit card when received by the debit cardholder, whether the debit card is issued by the same or by a successor card issuer.

(b) “Business” means a proprietorship, partnership, corporation, or other form of commercial enterprise. “Business” does not include a restaurant.

(c) “Cardholder” means a natural person to whom a prepaid debit card is issued.

(d) “Debit card” means an accepted debit card or other means of access to a debit cardholder’s account that may be used to initiate electronic funds transfers and may be used without unique identifying information such as a personal identification number to initiate access to the debit cardholder’s account.

(e) “Prepaid debit card” means a debit card that meets either of the following:

(1) A card, code, or other means of access to funds of a recipient that is usable at multiple, unaffiliated merchants for goods or services, or usable at automated teller machines.

(2) The same as those terms or related terms are defined in the regulations adopted under the Electronic Fund Transfer Act regarding general use reloadable cards.

(f) “Refund” means a return of a sum of money to a customer who has overpaid for services or property or is otherwise owed money by the business.

SEC. 3. Chapter 2 (commencing with Section 1748.80) is added to Title 1.3.5 of Part 4 of Division 3 of the Civil Code, to read:

CHAPTER 2. HOTEL AND PRIVATE RESIDENCE RENTAL RESERVATION
REFUNDS

1748.80. For purposes of this chapter:

(a) “Hosting platform” has the same meaning as defined in Section 22590 of the Business and Professions Code.

(b) (1) “Hotel” means a hotel, motel, bed and breakfast inn, or other similar transient lodging establishment located in this state.

(2) “Hotel” does not include a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(c) “Third-party booking service” means a person that facilitates the booking of a hotel room or short-term rental in this state.

(d) “Short-term rental” means a residential dwelling, or any portion of a residential dwelling, that is rented to a person or persons for 30 or fewer consecutive days and that is located in this state.

1748.81. A hosting platform, hotel, third-party booking service, or short-term rental shall allow a reservation for a hotel accommodation or a short-term rental located in California to be canceled without penalty for at least 24 hours after the reservation is confirmed if the reservation is made 72 hours or more before the time of check-in.

1748.82. (a) If a consumer cancels a reservation pursuant to Section 1748.81, the hosting platform, hotel, third-party booking service, or short-term rental shall issue a refund to a consumer of all amounts paid to the hosting platform, hotel, third-party booking service, or short-term rental to the original form of payment within 30 days of the cancellation of the reservation.

(b) The refund required by this section shall include a refund of all fees charged to the consumer for optional services.

1748.83. (a) An action for a violation of this chapter may be brought only by any of the following:

- (1) The Attorney General.
- (2) A district attorney.
- (3) A city attorney of a city having a population in excess of 750,000.
- (4) A county counsel of any county within which a city has a population in excess of 750,000.

(5) With the consent of the district attorney, a city prosecutor in a city that has a full-time city prosecutor.

(b) In an action alleging a violation of this chapter, the court shall assess a civil penalty of not more than ten thousand dollars (\$10,000) for each violation. In determining the amount of the civil penalty, the court shall consider any of the relevant circumstances presented by any of the parties to the case, including, but not limited to, all of the following:

- (1) The nature and seriousness of the misconduct.
- (2) The number of violations.
- (3) The persistence of the misconduct.
- (4) The length of time over which the misconduct occurred.
- (5) The willfulness of the misconduct.
- (6) The defendant’s assets, liabilities, and net worth.

(c) Each day that a defendant remains in violation of this chapter shall constitute a single violation.

(d) The duties and obligations imposed by this chapter are cumulative with any other duties or obligations imposed under other law and shall not be construed to relieve any party from any duties or obligations imposed under other law.

1748.84. This chapter does not apply to a reservation that meets any of the following criteria:

(a) The reservation was made for a negotiated rate that was not advertised, or otherwise made available, for booking by the general public.

- (b) The reservation is for a hotel accommodation or short-term rental reservation that was confirmed before July 1, 2024.
- (c) The reservation is one in which the specific hotel or short-term rental is not disclosed to the consumer until after the booking is confirmed.