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AB-537 Short-term lodging: advertising: rates. (2023-2024)

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Assembly Bill No. 537

CHAPTER 805

An act to add Section 17568.6 to the Business and Professions Code, relating to advertising.

[Approved by Governor October 13, 2023. Filed with Secretary of State October 13, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 537, Berman. Short-term lodging: advertising: rates.

Existing law makes it unlawful for any owner or operator of a motel, motor court, or like establishment to post or maintain outdoor advertising signs relating to room rates that has any untrue, misleading, false, or fraudulent representations, and specified other requirements on outdoor signs for those establishments. Existing law also prohibits an owner or operator of a hotel or motel from increasing the hotel or motel's rates upon the proclamation of a state of emergency by the President of the United States or the Governor or upon the declaration of a local emergency, as specified.

This bill would prohibit a place of short-term lodging, as defined, from advertising or offering a room rate that does not include all fees or charges required to stay at the short-term lodging except taxes and fees imposed by a government on the stay, as specified. The bill would also require a place of short-term lodging to include in the total price to be paid, before the consumer reserves a stay, all taxes and fees imposed by a government on the stay. The bill would make a violation of those provisions subject to a specified civil penalty not to exceed \$10,000 and would authorize an action to enforce those provisions to be brought by a city attorney, district attorney, county counsel, or the Attorney General. The bill would make the bill's provisions operative on July 1, 2024.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 17568.6 is added to the Business and Professions Code, immediately following Section 17568.5, to read:

17568.6. (a) (1) A place of short-term lodging, an internet website, application, or other similar centralized platform, or any other person shall not advertise, display, or offer a room rate, as defined in Section 17561, that does not include all fees or charges required to stay at the short-term lodging except taxes and fees imposed by a government on the stay.

(2) A place of short-term lodging, an internet website, application, or other similar centralized platform, or any other person shall include in the total price to be paid, before the consumer reserves the stay, all taxes and fees imposed by a government on the stay.

(b) For purposes of this section, "short-term lodging" means any hotel, motel, bed and breakfast inn, or other transient lodging. "Short-term lodging" also includes a short-term rental, or a residential property that is rented to a visitor for 30 consecutive days or

less through a centralized platform whereby the rental is advertised, displayed, or offered and payments for the rental are processed.

(c) For purposes of this section, assessments under Chapter 1 (commencing with Section 13995) of Part 4.7 of Division 3 of Title 2 of the Government Code or under Part 6 (commencing with Section 36500) or Part 7 (commencing with Section 36600) of Division 18 of the Streets and Highways Code are fees imposed by a government on the stay.

(d) This section shall apply to any advertising, display, or offer before the public in this state, or from this state before the public in any state.

(e) (1) A person that knew or should have known that it has advertised, displayed, or offered a room rate in violation of this section shall be subject to a civil penalty not exceeding ten thousand dollars (\$10,000) for each violation.

(2) An action to enforce this section may be brought by a city attorney, district attorney, county counsel, or the Attorney General.

(f) The duties and obligations imposed by this section 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.

(g) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(h) This section shall become operative on July 1, 2024.