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**SB-95 Sellers of travel: travel consolidators: fraud.** (2025-2026)

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AMENDED IN SENATE APRIL 10, 2025

AMENDED IN SENATE MARCH 12, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**SENATE BILL**

**NO. 95**

Introduced by Senator Umberg

January 23, 2025

An act to amend Section 17550.1 of, and to add Section 17550.31 to, the Business and Professions Code, relating to business.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 95, as amended, Umberg. Sellers of travel: travel consolidators: fraud.

Existing law regulates sellers of travel, as defined, and requires a seller of travel to annually register with the Attorney General. Existing law, unless an exception applies, requires a seller of travel to establish a trust fund to deposit money received from persons for travel services and prohibits the seller of travel from withdrawing money from the trust account except for specified purposes, including to make refunds to the passenger. Existing law exempts a seller of travel from the requirement to establish a trust account under specified circumstances, including if the seller of travel is a participant in a Consumer Protection Deposit Plan or uses a Consumer Protection Escrow Plan and meets specified requirements. Existing law imposes an obligation on a seller of travel either to provide the air or sea transportation or travel service purchased by the passenger or to make a refund within a certain period of time, except as specified. Existing law establishes the Travel Consumer Restitution Corporation to provide restitution to a person aggrieved, as defined, and provides for payment of claims from the Travel Consumer Restitution Fund established by the Travel Consumer Restitution Corporation.

This bill would specify the term "seller of travel" includes a travel consolidator, as defined. The bill would require an air carrier to refund a person who purchased ~~air travel~~ *a ticket or voucher for air transportation* from a seller of travel if the person is a victim of fraud committed by the seller of travel, the air carrier had actual knowledge of the ~~fraud~~, *seller of travel's fraudulent business practice*, and the person was unable to procure a refund from the seller of travel within a reasonable time. If the seller of travel is not registered, the bill would specify that the sale is voidable by the purchaser. Because a violation of the provisions regulating sellers of travel is a misdemeanor or a felony, depending on the circumstances, this bill would expand the scope of a crime and would therefore impose a state-mandated local crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

**SECTION 1.** Section 17550.1 of the Business and Professions Code is amended to read:

**17550.1.** (a) "Seller of travel" means a person who sells, provides, furnishes, contracts for, arranges, or advertises that they can or may arrange, or has arranged, wholesale or retail, either of the following:

(1) Air or sea transportation either separately or in conjunction with other travel services.

(2) Land or water vessel transportation, other than sea carriage, either separately or in conjunction with other travel services if the total charge to the passenger exceeds three hundred dollars (\$300).

(b) "Seller of travel" includes a travel consolidator. "Travel consolidator" means an entity that purchases ~~airline tickets in bulk from an airline and resells the tickets to travel agencies or directly to consumers~~ *tickets or vouchers for air transportation from an air carrier and resells the tickets or vouchers to travel agencies or directly to passengers* at a discount.

(c) Seller of travel does not include any of the following:

(1) An air carrier.

(2) An ocean carrier.

(3) A hotel, motel, or similar lodging establishment where in the course of selling, providing, furnishing, contracting for, or arranging transient lodging accommodations and related services for its registered guests, it also arranges for transportation and does not directly or indirectly receive any money or other valuable consideration for arranging or providing that transportation.

(4) A person or organization certified under Part 5 (commencing with Section 12140) of Division 2 of the Insurance Code, except such a person or organization shall comply with the registration and fee provisions of Sections 17550.20 and 17550.21 for each location at which air or sea transportation is sold either separately or in conjunction with other travel services.

(5) A motor or rail carrier or water vessel operator holding the required permit, license, or other authority to operate from a state, federal, or other governmental entity.

(d) Notwithstanding any other provision of law, a reference in this article or Article 2.7 (commencing with Section 17550.35) to air or sea transportation or to an air or sea carrier, includes land or water vessel transportation, as described in subdivision (a), and a motor carrier or water vessel operator.

**SEC. 2.** Section 17550.31 is added to the Business and Professions Code, to read:

**17550.31.** (a) Notwithstanding any other law, if a person who purchases ~~air travel~~ *a ticket or voucher for air transportation* is a victim of fraud committed by the seller of travel, the air carrier has actual knowledge of the ~~fraud~~, *seller of travel's fraudulent business practice*, and the person is unable to procure a refund from the seller of travel within a reasonable time, the air carrier shall refund the person. If the seller of travel is not registered pursuant to this article, the sale is voidable by the purchaser.

*(b) For purposes of this section:*

*(1) "Fraud" means an act of deceit under Section 1710 of the Civil Code or an act proscribed under Section 1770 of the Civil Code.*

*(2) "Actual knowledge of the seller of travel's fraudulent business practice" means actual knowledge that the seller of travel is engaged in a course of conduct that violates Section 1710 or 1770 of the Civil Code.*

*(c) If the plaintiff prevails in an action to enforce their rights under this section, the court shall award the plaintiff reasonable attorney's fees and costs.*

**SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or

infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.