

AMENDED IN SENATE APRIL 10, 2025  
AMENDED IN SENATE MARCH 12, 2025

**SENATE BILL**

**No. 95**

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**Introduced by Senator Umberg**

January 23, 2025

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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.  
State-mandated local program: yes.

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

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

3 17550.1. (a) “Seller of travel” means a person who sells,  
4 provides, furnishes, contracts for, arranges, or advertises that they  
5 can or may arrange, or has arranged, wholesale or retail, either of  
6 the following:

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

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

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

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

2 (1) An air carrier.

3 (2) An ocean carrier.

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

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

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

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

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

26 17550.31. (a) Notwithstanding any other law, if a person who  
27 purchases ~~air travel~~ a ticket or voucher for air transportation is a  
28 victim of fraud committed by the seller of travel, the air carrier  
29 has actual knowledge of the ~~fraud~~, seller of travel's fraudulent  
30 business practice, and the person is unable to procure a refund  
31 from the seller of travel within a reasonable time, the air carrier  
32 shall refund the person. If the seller of travel is not registered  
33 pursuant to this article, the sale is voidable by the purchaser.

34 (b) For purposes of this section:

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

38 (2) "Actual knowledge of the seller of travel's fraudulent  
39 business practice" means actual knowledge that the seller of travel

1 *is engaged in a course of conduct that violates Section 1710 or*  
2 *1770 of the Civil Code.*

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

6 SEC. 3. No reimbursement is required by this act pursuant to  
7 Section 6 of Article XIII B of the California Constitution because  
8 the only costs that may be incurred by a local agency or school  
9 district will be incurred because this act creates a new crime or  
10 infraction, eliminates a crime or infraction, or changes the penalty  
11 for a crime or infraction, within the meaning of Section 17556 of  
12 the Government Code, or changes the definition of a crime within  
13 the meaning of Section 6 of Article XIII B of the California  
14 Constitution.