



# 24-hour Cancellation Rules

## May 2024

### GENERAL SUMMARY

Last year, the California Legislature passed a measure allowing guests to cancel a booking within 24-hours of a booking confirmation and receive a full refund within 30 days of cancellation. The measure, Senate Bill 644 (Glazer, D) is subject to several limitations listed below.

### LIMITATIONS AND IMPLEMENTATION EXAMPLES

#### Does Apply to:

- This law only applies to bookings made at least 72 hours or more before the check-in time.**

*If a hotel offers check-in after 4pm, a reservation made and confirmed at 3pm on August 1<sup>st</sup> for a stay on August 5<sup>th</sup> would be able to cancel their reservation with a full refund until 3pm on August 2<sup>nd</sup>. However, if the guest booked and received a confirmation for the same reservation at 5pm on August 1<sup>st</sup>, the reservation would not be governed by this law.*

#### Does Not Apply to:

- Reservations made for a negotiated rate that was not advertised, or otherwise made available, for booking by the general public.**

*If a hotel negotiates a special rate with a meeting planner for an event, that rate is not subject to this measure. Additionally, if the hotel negotiates a special rate contract with a corporation permitting corporate employees to stay at the hotel for a special rate, that booking is also not subject to this measure.*

- Reservations for a hotel accommodation that is confirmed before July 1, 2024.**

*If a guest books a room on June 30<sup>th</sup> for a stay on July 7<sup>th</sup>, the cancellation policy will be dictated by the time of delivery for the confirmation email. If the confirmation email was delivered on June 30<sup>th</sup>, then this measure would not apply to the reservation. If the confirmation email is delivered on July 1, then the law applies to the reservation.*

- Reservations where the specific hotel is not disclosed to the consumer until after the booking is confirmed.**

*Your hotel participates in a program whereby guests book a trip to your local city for a set price. As part of the program, the guest is notified before booking that they may be placed in one of several participating hotels, and will be informed of which hotel after booking. In the event a guest books through this program, their reservation will not be subject to this measure.*

### OTHER QUESTIONS

- Does Modification of a Reservation Restart the Timer?**

*This measure was intended to apply to new bookings. As such the measure is written with an emphasis on new booking operations, but does not directly address reservation modifications. The measure is generally understood to not apply to reservation modifications. However, to further clarify the point, CHLA recommends amending modification confirmation emails to remove any mention of "confirmation" and instead refer solely to "modification."*

*This is an information service of CHLA. It does not purport to serve as legal or other professional advice, and the counsel of competent legal professionals should always be sought.*

### EFFECTIVE DATE

This measure will generally take effect on July 1, 2024.

### ENFORCEMENT

The provisions of Senate Bill 644 are enforceable by the City, County, and State Attorney Generals, as well as County Counsels.

### CHLA DEFEATS EXPANSION

Though SB 644 is not yet in effect, the author has already attempted to expand the law to apply to bookings made by California residents in other states. This component of the legislation for SB 644 was removed due to CHLA's advocacy efforts. However, this year, the author brought forth a proposal to again expand the scope of the measure to other states. CHLA engaged in an opposition campaign with hospitality allies and engaged legal counsel to testify during committee. As a result, this expanded bill (SB 1424) was ultimately stopped.

### IMPLEMENTATION TIPS

As you review your booking processes, remember to amend the following common customer and employee touchpoints:

- Hotel Website
- Central Reservations System
- Mobile app (If Available)
- Confirmation Letter Templates
- Ensure your reservations agents are properly trained on how this measure works and the timing in which it takes effect.
- Be sure to do additional review in June, with particular focus on bookings made for early July.

#### Questions or Concerns?

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