

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: SB 940

INTRODUCER: Senator McClain

SUBJECT: Third-party Restaurant Reservation Platforms

DATE: March 18, 2025

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|----------|----------------|-----------|--------------------|
| 1. | Oxamendi | Imhof | RI | Pre-meeting |
| 2. | | | CM | |
| 3. | | | RC | |

I. Summary:

SB 940 prohibits a third-party reservation platform (platforms) from listing, advertising, promoting, or selling reservations for a food service establishment through a platform’s website, mobile application, or other Internet service without the platform having a contractual relationship or agreement with the food service establishment, or its contractual designee, to offer or arrange for reservations for on-premises service at such food service establishment.

The bill defines the term “third-party reservation platform” to mean any website, mobile application, or other Internet service that:

- Offers or arranges for reservations for on-premises service for a customer at a food service establishment; and
- Is owned and operated by a person other than the owner of such food service establishment.

The bill also defines the term “food service establishment” to have the same meaning as the term “public food service establishment” as defined in s. 509.013(5), F.S.

The Division of Hotels and Restaurants (division) within the Department of Business and Professional Regulation (DBPR) is authorized by the bill to impose a civil penalty on a platform of up to \$1,000 for each violation of the prohibition, or of a division rule implementing the prohibition. Under the bill, violations may accrue on a daily basis for each day and for each food service establishment in which there has been a violation.

The effective date of the bill is July 1, 2025.

II. Present Situation:

Division of Hotels and Restaurants

The division is charged with enforcing the laws relating to the inspection and regulation of public food service establishments for the purpose of protecting the public health, safety, and welfare.¹

Public Food Service Establishments

A “public food service establishment” is defined as:

...any building, vehicle, place, or structure, or any room or division in a building, vehicle, place, or structure where food is prepared, served, or sold for immediate consumption on or in the vicinity of the premises; called for or taken out by customers; or prepared prior to being delivered to another location for consumption.²

There are several exclusions from the definition of public food service establishment, including:

- Any place maintained and operated by a public or private school, college, or university for the use of students and faculty or temporarily to serve events such as fairs, carnivals, and athletic contests;
- Any eating place maintained and operated by a church or a religious, nonprofit fraternal, or nonprofit civic organization for the use of members and associates or temporarily to serve events such as fairs, carnivals, or athletic contests;
- Any eating place located on an airplane, train, bus, or watercraft which is a common carrier;
- Any eating place maintained by a facility certified or licensed and regulated by the Agency for Health Care Administration or the Department of Children and Families;
- Any place of business issued a permit or inspected by the Department of Agriculture and Consumer Services under s. 500.12, F.S.;
- Any vending machine that dispenses any food or beverage other than potentially hazardous food;
- Any place of business serving only ice, beverages, popcorn, and prepackaged items; and
- Any research and development test kitchen limited to use by employees and not open to the general public.³

The regulation of public food service establishments is preempted to the state.⁴

Third-Party Reservation Platforms

A third-party reservation platform is a service offered via the Internet or a mobile application through which a public food service establishment, e.g., a restaurant, or other establishment that accepts reservations, may allow patrons to schedule reservations. The reselling of reservations by third-parties has historically been an issue within the restaurant industry. Recently, third-party

¹ Section 509.032, F.S.

² Section 509.013(5)(a), F.S.

³ Section 509.013(5)(b), F.S.

⁴ Section 509.032(7), F.S.

websites and bots⁵ have worsened the problem and have led to situations in which reservations do not sell or patrons do not appear at the appointed time for a reservation, which results in lost sales for the public lodging establishment and the loss of income for service workers. Reservations through third-party platforms have been known to use fake names, which can cause confusion for the businesses.⁶

Third-party reservation platforms are not currently regulated by the State of Florida.

In 2024, the New York State Assembly passed a bill to prohibit third-party restaurant reservation services from arranging unauthorized restaurant reservations with food service establishments. The law, which became effective February 17, 2025, prohibits third-party reservation services from listing or selling reservations on a website or mobile application without a written agreement with the restaurant to include its reservations with the service. The law provides civil penalties of up to \$1,000 per violation per day.⁷

III. Effect of Proposed Changes:

The bill creates s. 509.104, F.S., to prohibit platforms from listing, advertising, promoting, or selling reservations for a food service establishment through a platform's website, mobile application, or other Internet service without the platform having a contractual relationship or agreement with the food service establishment, or its contractual designee, to offer or arrange for reservations for on-premises service at such food service establishment.

The bill defines the term "third-party reservation platform" to mean any website, mobile application, or other Internet service that:

- Offers or arranges for reservations for on-premises service for a customer at a food service establishment; and
- Is owned and operated by a person other than the owner of such food service establishment.

The bill also defines the term "food service establishment" to have the same meaning as the term "public food service establishment" as defined in s. 509.013(5), F.S.

The bill authorizes the division to impose a civil penalty on a platform of up to \$1,000 for each violation of the prohibition in s. 509.104, F.S., or of a division rule implementing that section. Under the bill, violations may accrue on a daily basis for each day and for each food service establishment in which there has been a violation.

⁵ Merriam Webster Dictionary, defining the term "bot" to mean "a computer program that performs automatic repetitive tasks," <https://www.merriam-webster.com/dictionary/bot> (last visited Mar. 13, 2025).

⁶ Gothamist, *New York law aims to kill 'black market' for restaurant reservations*, <https://gothamist.com/news/new-york-law-aims-to-kill-black-market-for-restaurant-reservations> (last visited March 8, 2025); and New York Post, *Third-party apps offering hard-to-get NYC restaurant reservations fuming over Hochul crackdown*, <https://nypost.com/2025/02/25/business/third-party-apps-offering-hard-to-get-nyc-restaurant-reservations-fuming-over-hochul-crackdown/> (last visited Mar. 13, 2025).

⁷ NY Assembly Bill A10215A (2024); available at: https://nyassembly.gov/leg/?default_fld=%0D%0A&leg_video=&bn=A10215a&term=2023&Summary=Y&Actions=Y&Committee%26nbspVotes=Y&Floor%26nbspVotes=Y&Memo=Y&Text=Y&LFIN=Y&Chamber%26nbspVideo%2FTranscript=Y (Mar. 13, 2025).

The effective date of the bill is July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The DBPR anticipates an indeterminate increase in fines collected for non-compliance with the requirements of the bill. The division may need additional compliance and legal staff to address non-compliance. However, the department anticipates a minimal, indeterminate increase in expenditure. If the division pursues administrative complaints against third-party reservation platforms, the division may require additional staff to investigate and gather the necessary evidence because the cases cannot be resolved via inspection.⁸

VI. Technical Deficiencies:

None.

⁸ Department of Business and Professional Regulation, *2025 Agency Legislative Bill Analysis for HB 543* (Feb. 13, 2025) (on file with the Senate Regulated Industries Committee).

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 509.104 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
