

January 14, 2026

F2026-01

To: All Fairground Managers

Re: Honest Pricing Law - SB 478 (2023)

What SB 478 Does and Fairground Requirements:

In 2023, the Legislature passed SB 478 Consumers Legal Remedies Act: advertisements (Sen. Bill Dodd). SB 478 expands the provisions of the existing Consumers Legal Remedies Act and makes it unlawful to advertise, display, or offer a price for a good or service that does not include all mandatory fees and charges upfront. (Civ. Code § 1770). This new rule, also known as the Honest Pricing Law, aims to make consumer pricing more transparent by prohibiting hidden fees and drip pricing practices. Hidden fees and drip pricing are considered “deceptive practices” under the Consumers Legal Remedies Act.

SB 478 requires businesses to clearly list upfront the final price the consumer will pay. The price cannot later increase at the time of transaction to include hidden or drip fees, such as service charges, handling fees, booking fees, or other similar undisclosed charges. Businesses must accurately list the final price everywhere the item is advertised, displayed, or offered. The Honest Pricing Law applies to all fairgrounds.

All fairgrounds should take immediate action to ensure current and future advertisements, displays, and offers for goods and services are compliant with the Honest Pricing Law and eliminate separate hidden fees or charges to clearly reflect the final price the consumer will pay at the time of transaction.

Exceptions:

Taxes and shipping

There are some exceptions to the Honest Pricing Law. The listed price must include all mandatory fees and charges, *except* 1) government taxes or fees imposed on the



transaction, such as sales taxes, and 2) reasonable shipping costs for physical goods. (Civ. Code § 1770).

Food and beverage items

Additionally, there are specific exceptions for food or beverage items. Restaurants, bars, food concessions, grocery stores, and catering services are not required to include mandatory fees and charges in the final price for individual food or beverage items sold directly to a consumer. However, food businesses must clearly and conspicuously display all mandatory fees and charges with an explanation of their purpose on all advertisements, menus, or other displays that list food and beverage prices. (Civ. Code § 1770).

Acceptable displays:

- A 2.5% service fee is added to all transactions to help cover staff health care benefits.
- A 50-cent charge is added to all credit card transactions for credit processing costs.

Prohibited displays:

- A service fee is added to all transactions.
- A surcharge may be added to credit card transactions.

Potential Penalties for Noncompliance:

Any consumer who suffers damage due to a fairground's noncompliance with the Honest Pricing Law may pursue legal action against the fairground.¹ Consumers may bring an action to recover any of the following: 1) actual damages, 2) an order enjoining the deceptive practices, 3) restitution of property, 4) punitive damages, and 5) any other relief the court deems proper. (Civ. Code § 1780). Each option is discussed below.

Actual damages

An injured consumer may pursue legal action against a fairground to recover the actual damages suffered due to an Honest Pricing Law violation. Actual damages compensate the injured consumer for their losses. This includes the cost of the hidden fees (the difference between the price listed and the total price charged). For example, if a

¹ Consumers have a three-year statute of limitations to bring an action from the date of commission of the deceptive practice. This means if a consumer purchased an online admission ticket that did not include all mandatory fees and charges in May 2024, the consumer has until May 2027 to bring legal action against the noncompliant fairground. (Civ. Code § 1783).

fairground advertised a fair admission ticket price at \$10, but failed to disclose hidden services charges of \$5, making the total final price \$15, the fairground must reimburse the consumer \$5 in damages.

Actual damages may also include other costs expended in reliance on the listed price. For example, a consumer decides to attend a fair event in reliance on the \$10 listed ticket price but would not otherwise attend if they knew the total final admission price was \$15. Based on the \$10 listed price, the consumer then expended money on gas and parking to attend the fair. Thus, the fairground must reimburse the consumer \$20: \$5 for the ticket price difference, plus \$10 for parking, and \$5 for gas. In short, the fairground must compensate the consumer for their losses due to the fairground's violation of the Honest Pricing Law.

Order to enjoin the deceptive methods, acts, or practices:

The court may issue an injunction to require a noncompliant fairground to stop the deceptive practice. This means the fairground must come into compliance with the Honest Pricing Law and adjust their in-person and/or online practices and systems to include all mandatory fees and charges in its listed prices to reflect the final total price the consumer will pay at the time of transaction.

Restitution of property:

An injured consumer may pursue legal action against a fairground for restitution. Restitution is measured by the fairground's gain as a result of violating the Honest Pricing Law. This means a noncompliant fairground owes to the injured consumer the profit made from the deceptive transaction.

For example, a fairground advertises a fair admission ticket for \$10 but fails to disclose a \$5 hidden service fee, making the ticket \$15 total. However, the \$5 service fee is paid to the point of sales system operating company, so the fairground receives \$10 from the admission ticket. If a consumer purchases an admission ticket and a \$10 parking pass, the fairground receives \$20 (\$10 from the admission ticket plus \$10 from the parking pass). The fairground must reimburse the consumer \$20 in restitution.

Punitive damages:

A court may issue punitive damages to a noncompliant fairground. Punitive damages punish entities for noncompliance and aim to deter future Honest Pricing Law violations. Courts typically issue punitive damages for negligent, reckless, or otherwise gross misconduct. The court determines the punitive damages amount within its discretion. Because it is discretionary, it is not possible to predict the punitive damages amount for

Honest Pricing Law violations. The damage amount likely depends on the nature and severity of the Honest Pricing Law violation; gross violations will likely result in greater punitive damages.

Other relief and special actions:

The court may require a noncompliant fairground to provide relief other than those listed above. Such relief is within the court's discretion, and it is not possible to predict what this may entail. The court may also impose additional penalties in class action lawsuits or actions brought by seniors or disabled persons. (Civ. Code §§ 1780, 1781, 3345)

Exceptions — Unintentional Conduct:

No damages may be awarded to a consumer where the Honest Pricing Law violation was an honest mistake, and the fairground took appropriate measures to remedy the error. For example, this may occur if an online ticketing service accidentally failed to remove hidden service charges from a fairground's website despite the fairground's request to do so. Specifically, the fairground must 1) prove the Honest Pricing Law violation was unintentional and resulted from a good faith error despite the use of reasonable procedures designed to avoid noncompliance, and 2) make an appropriate correction, repair, replacement, or other remedy within 30 days of receipt of notice of noncompliance. (Civ. Code § 1784). It is imperative the fairground timely address the violation; instructions are discussed in the subsequent section.

What to do Upon Notice of an Honest Pricing Law Violation:

30 days before an injured consumer brings an action for damages, the consumer must first notify the fairground of the Honest Pricing Law violation and demand the fairground correct, repair, replace, or otherwise rectify the violation. The fairground must then, within 30 days of receipt of the notice of noncompliance, correct, repair, replace, or otherwise provide another remedy or agree to provide another remedy to the consumer within a reasonable time. (Civ. Code § 1782).

It is imperative the fairground timely fix the violation to avoid a lawsuit for damages. The fairground must, at minimum, cease the deceptive practice (no hidden fees or drip pricing) for in-person and online transactions. This means fairgrounds must update the listed prices on their website, print materials, or anywhere prices are falsely advertised. The fairground should also reimburse the injured consumer for the cost of any undisclosed

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fees or charges. If a District Agricultural Association receives notice of Honest Pricing Law noncompliance, please notify your CDFA Resource Coordinator immediately.

If you have any questions or need additional information, please do not hesitate to contact Mike Francesconi, at (916) 900-5365.

Sincerely,

A handwritten signature in blue ink that reads "Michael W. Francesconi". The signature is written in a cursive, flowing style.

Mike Francesconi
CDFA F&E Branch Chief