Foster Garvey

Duff on Hospitality Law

Welcome to The Regulatory Check-In: Your Guide to Hospitality Compliance

06.24.26

Hi there - Your first biweekly installment of *The Regulatory Check-In* is here!

If we have not met before, I'm Melia Preedy, a member of the Foster Garvey Hospitality team where I handle a wide range of hospitality contracts, from brand-level global sales agreements and hotel-level sales agreements to vendor contracts and partnership deals. A growing part of my legal practice has been providing regulatory guidance to hotel brands, travel companies, and management companies. That work inspired this newsletter. Each edition flags the regulatory developments most likely to affect your business operations, so you can stay ahead of what's coming.

In this edition, I'm tracking executive orders modifying the DEI compliance landscape, surveillance pricing, obligations of hoteliers to disclose if ICE or CBP are on property, Maryland's latest seller of travel law, minimum wages in L.A., climate disclosure tracking, and biometric surveillance.

DEI & Government Contracting: 19 state AGs and D.C. are suing to block the Trump administration's March 2026 executive order barring government contractors from "racially discriminatory" DEI activity. This is the latest escalation in a sequence that started in January 2025, when EO 14173 revoked the longstanding EO 11246 affirmative action framework and required contractors to certify compliance with anti-discrimination laws, without defining what DEI activities were actually prohibited. The March 2026 order goes further: it defines the targeted conduct, mandates specific contract language, and creates a False Claims Act enforcement hook. The AG coalition says it's both unclear and illegal. Failure to comply will put companies at risk of losing out on government contracts.

Surveillance Pricing: New York became the third state to ban data-driven individualized pricing with the One Fair Price Act. Separately, 16 state AGs want the FTC to go after food delivery platforms doing the same thing. If you're using personalized pricing for your customers, this trend is worth watching.

Hospitality & Travel: AB 2721 would require California hotels to publicly disclose when U.S. Immigration and Customs Enforcement (ICE) or Customs and Border Protection (CBP) have reservations or contracts at a property and post notices identifying the agency and stay duration. The Asian American Hotel Owners Association (AAHOA) is strongly opposing the bill, calling it an impossible position for operators, the core concerns being litigation exposure, guest privacy and safety risks, and operational uncertainty.

Sellers of Travel - Maryland: Maryland passed a travel seller registration law scheduled to take effect on October 1. Sellers of travel must register if they operate within Maryland or sell travel to residents of the

© 2026 Foster Garvey PC. All Rights Reserved.

state.

Climate Disclosure: New York's Senate passed the Climate Corporate Data Accountability Act in February 2026, which would require companies with $1B+ in revenue doing business in the state to report Scope 1 and 2 emissions starting in 2027, with Scope 3 (supply chain) following in 2028. It closely mirrors California's SB 253, which is already in effect. Meanwhile, the SEC proposed rescinding its own federal climate disclosure rule in May 2026-so there's no federal preemption coming. The risk companies face is a growing state-by-state patchwork and no unified standard. For hoteliers, if your parent entity or portfolio company exceeds $1B in revenue and does business in California or New York, you're likely in scope and should be formalizing energy and emissions tracking now.

Los Angeles Hotel and Airline Worker Minimum Wage Delay: LA delayed its $30 hotel worker minimum wage from 2028 to 2030, which buys time but doesn't change the trajectory.

Will the FTC Expand Its Junk Fees Rule to Food Delivery? After urging from many state AGs, the FTC has put out a call for comments on its proposed rulemaking regarding drip pricing practices by online food and grocery delivery platforms. Recall that the FTC's 2025 Rule on Junk Fees targeted only the live-event ticketing and short-term lodging industries. This signals that regulators view the 2025 rule as a starting point, and companies should expect continued scrutiny with their pricing practices.

Facial Recognition: Syracuse, N.Y. banned businesses open to the public from using facial recognition and other biometric surveillance (fingerprints, iris scans, gait recognition, voice). It's the second N.Y. municipality to enact such a ban. NYC itself is now considering two bills that would ban facial recognition in stores, restaurants, venues, and apartment buildings. At the N.Y. state level, a statewide biometric surveillance ban is pending. Nationally, 16+ cities have banned police use of facial recognition, and Milwaukee added a voluntary ban in February 2026. For hotel operators: if you're using or considering biometric tech for security, check-in, or access control, this trend is moving fast and the compliance landscape varies sharply by jurisdiction.

Until next time.

States Say Trump's DEI Rule For Contractors Is Unclear, Illegal
June 10, 2026 via Law360
Attorneys general from 19 states and Washington, D.C., on Wednesday sued numerous federal officials and agencies in an attempt to block the Trump administration's March 26 executive order prohibiting government contractors - including states - from engaging in "racially discriminatory" activity around diversity, equity and inclusion.

NY Bill To Ban Surveillance Pricing Heads To Gov.'s Desk
June 5, 2026 via Law360
New York is on the brink of becoming the third state to prohibit companies from using consumer data to

© 2026 Foster Garvey PC. All Rights Reserved.

set individualized prices for certain products and services, as policymakers across the country continue to ramp up scrutiny on the increasingly prevalent practice known as surveillance pricing.

AAHOA Opposes AB 2721, Warns Bill Creates Legal Uncertainty and Operational Risk for California Hotels
June 2, 2026 via Hotel Online
AB 2721 requires hotels to disclose ICE and CBP reservations and post notices with agency names and stay durations. It uses a vague knows-or-should-have-known standard that may expose operators to liability and violate guest privacy and safety.

ASTA Seeks Clarity on New Maryland Law Requiring Travel Seller Registration
May 28, 2026 via Travel Weekly
Despite ASTA's lobbying efforts against it, Maryland passed a new law requiring travel seller registration.

Looking Beyond Calif. Climate Laws As NY Bills Advance
May 22, 2026 via Law360
California has moved corporate climate disclosure out of the policy arena and into the compliance system. That shift offers the clearest way to read both California's regime and the New York bills that come closest to copying it.

AGs Seek Crackdown on Customized Food Pricing
May 20, 2026 via Law360
Online food delivery platforms are charging people differently based on the personal data they glean from their smartphones, and the Federal Trade Commission ought to force companies to be upfront about it, say 16 state attorneys general.

Los Angeles Delays $30 Minimum Wage for Hotel and Airport Workers
May 19, 2026 via Travel Weekly
Under pressure from hotels and airlines, the Los Angeles City Council has voted to delay the implementation of a minimum hourly wage of $30 for hotel and airport workers from 2028 to 2030.

Syracuse, N.Y., Bans Facial Recognition Tech by Businesses
May 19, 2026 via Government Technology
The Common Council has unanimously approved a law barring businesses that are open to the public from using facial recognition technology. It is the second New York city to enact such a law.

Posted in The Regulatory Check-In

Authored by

Melia A. Preedy

Counsel|Seattle

© 2026 Foster Garvey PC. All Rights Reserved.

206.816.1335 melia.preedy@foster.com

© 2026 Foster Garvey PC. All Rights Reserved.