

"Junk Fee" Legislative Roundup – 2025 Edition

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2024 was an action-packed year for followers of federal and state laws and regulations governing the disclosure of fees, or so-called “junk fee” laws. In the waning days of the Biden administration, the FTC released a significantly narrowed version of its initial proposed rule that would apply exclusively to the sale of live-event tickets and short-term lodging, as we summarized [here](#).

As we wait to see whether the FTC rule will ultimately take effect, attention has shifted to state enforcement of “hidden fees” – an area that has long garnered attention of state regulators. As we [previously reported](#), California and Minnesota both adopted broadly applicable “hidden fee” statutes that have now gone into effect. While both laws generally require price ads to include mandatory fees and charges (excluding taxes and fees imposed by the government), there are important nuances and distinctions between the two laws, so we are monitoring closely to see how they will be enforced.

With the 2025 legislative session underway, several other states have now passed or introduced bills containing similar disclosure requirements to proscribe “hidden fees”.

Passed

Massachusetts

This week, Massachusetts Attorney General Campbell [announced](#) as part of [Consumer Protection Week](#) the promulgation of 940 CMR 38.00 with an effective date of September 2, 2025. The final rule is similar but not identical to the draft version we [reported on](#) back in 2023. Violations of the rule constitute violations of the state’s UDAP statute. The AG’s office also released [guidance](#) to “facilitate compliance” and “answer expected questions.”

The rule requires in ads and offers, “at the time of the initial presentation of the price” or any subsequent presentation, clear and conspicuous disclosure of the total price *more prominently* than any other pricing information. A total price disclosure must be made *prior to requiring the consumer to provide any personal information* (unless it is used to facilitate underwriting, availability, legality, or compute pricing in accordance with Massachusetts insurance or financial regulations).

The rule also requires, during the initial presentation of the total price, a clear and conspicuous disclosure of “the nature, purpose, and amount of any fees” including that any optional fees *are* optional and how to avoid them. The related guidance document indicates that these types of disclosures may be done with a “concise phrase, such as a ‘cleaning fee,’ provided the amount charged is reasonably reflective of the cost the seller incurs for cleaning.” But it goes on to state that some disclosures may require more information to understand the nature and purpose – which may be done through “accessible” and “commercially reasonable means,” such as information buttons or links in online ads.

Further, at the “final presentation of the price” prior to the sale, there must be a clear and

conspicuous disclosure of the final transaction amount that *includes* shipping and government charges -- and again the purpose of fees and optional fee information. At that final presentation, the *final transaction amount* must be the most prominent pricing information.

The rule also prohibits misrepresentations regarding any of these things (total price, purpose/amount of fees, and final transaction amount).

The rule provides exclusions for:

- Shipping and government charges in the “total price”;
- Food or grocery delivery platforms advertising the price set by the store or restaurant, provided they clearly and conspicuously display the maximum mandatory fees where pricing information is displayed;
- Rentals, provided that they disclose clearly and conspicuously the full period covered by the lease; and
- Motor vehicle manufacturers and dealers in compliance with other MA regulations, health care providers in compliance with MA law, creditors in compliance with U.S. and MA law, securities in compliance with MA and federal law, and air transportation.

Virginia

The governor has until March 24 to sign [SB1212](#), which would become effective on July 1, 2025. Similar to other state laws, the bill requires offers and ads that include pricing to clearly and conspicuously display the total price including all mandatory fees, but excluding government fees and shipping. For companies providing “both a good and a service” the business may comply by “advertising the total price of the good separately from the total price or rate charged for providing the service.” Violations are subject to enforcement under the Virginia Consumer Protection Act.

Exclusions or modified requirements exist for auctions, restaurants and hotels, “price-variable suppliers,” food delivery platforms, broadband internet service, live event tickets, and fees authorized by law for specific industries.

Other Legislation Introduced

Arizona, Colorado, Connecticut, Florida, Hawaii, Illinois, Maine, Oklahoma, Oregon, Rhode Island, and Washington have all introduced bills relating to disclosures of “total price” or mandatory fees so far in 2025. Most make violations of the proposed statute a violation of the state’s UDAP statute.

Proposed legislation in Florida, Oklahoma and Washington is limited in scope – to short term lodging (OK) and ticketing (FL, OK, WA).

Some interesting commonalities between the proposed bills include:

- a “prominence” component for the total price (CO, IL, OK);
- disclosures pertaining to refundability/refund policies (AZ, CO, IL, OK); and
- a catchall prohibition related to misrepresentations (CO, CT, IL, OK)

Other bills are very similar to the more basic “California” model (HI, ME, RI).

Conclusion

As new laws and bills address hidden fees, we are seeing some states look to address some of the nuances -- and complexities -- found in earlier versions of so-called "junk fee" laws. But with additional nuance comes more of a patchwork, as states seek to add more prescriptive requirements and exclusions in their laws. We will keep an eye on this expanding area of the law.