“Junk Fees” Summer 2026 Roundup Part 1 – Illinois, NYC, and DC

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July 22, 2026

As we have discussed in prior posts, pricing and fee transparency continues to be an omnipresent topic for federal and state enforcers – both as a policy issue and enforcement priority. In this first installment in a two-part update on recent legislation and regulation on fee transparency, we summarize recently enacted laws and proposed rules in Illinois, NYC, and DC.

Illinois Law on “Hidden and Misleading Fees”

In addition to newly enacted laws addressing ticket reselling practices and “buy now pay later” offers, Illinois in June passed HB 228, which will become effective in January 2027. In signing the legislation, Governor JB Pritzker praised it as “put[ting] an end to deceptive junk fees” by making “it unlawful for any business to advertise, display, or offer a price for products or services that does not include all mandatory fees or surcharges before taxes.”

Like many other fee laws, Illinois prohibits offering a price that does not include all mandatory fees. “Mandatory fees” are defined to include fees that must be paid in order to complete the purchase when such fees are not reasonably avoidable. Illinois’ definition includes a somewhat unique wrinkle also found in Minnesota’s law that further provides that a mandatory fee is one “a person would reasonably expect to be included in the purchase of the goods or services being advertised.” As with other federal and state fee laws, the total price need not include taxes or fees imposed by the government required by law to be collected from the consumer.

Where total cost is determined by consumer selections or preferences, or total cost is related to distance or time, disclosure is compliant if the business clearly and conspicuously discloses: (1) the factors determining the total price, (2) any mandatory fees, and (3) that total cost may vary. This could be interpreted to suggest that *shipping must be included* in the total price if it is not variable by distance or time, unlike most other fee disclosure laws, although it remains to be seen whether the Illinois AG will take this position.

The law provides separate specific compliance requirements for food delivery platforms, “food or beverage service establishments,” and auctions. The law is broadly applicable to all “persons,” but has a long list of other specific carveouts primarily in already regulated industries.

New York City Proposed Rule

New York City’s Department of Consumer and Worker Protection (DCWP) announced along with its passing of the final “Click to Cancel” Rule the initiation of a Proposed Rule addressing “junk fees.”

Comments to the Rule are due on or before August 7, 2026, when DCWP will hold a public hearing on the proposal. The DCWP explains in the Proposed Rule's Statement of Basis and Purpose that consumers are surprised by a total price higher than expected through "bait and switch" tactics, including in industries such as third-party delivery, rentals, hotels, and live event tickets. This Rule is described as "industry neutral" and builds on the existing Rule in place specifically for hotels. The DCWP points to analogous existing fee laws in CA, MA, and MN as adopting similar approaches.

Proposed requirements include:

- The total price, including all mandatory fees, must be disclosed in a clear and conspicuous manner in all offers at least as prominently as any other pricing information.
- "Mandatory fees" is defined as fees that are not reasonably avoidable and a reasonable person would expect to be included, excluding taxes and fees imposed by the government and actual shipping charges incurred. This mirrors the definition adopted by Illinois discussed above.
- Periodic charges must include the total price for the relevant time period and the total amount of non-recurring fees (such as one-time or sign-up fees).
- The offeror must also clearly and conspicuously disclose the nature, purpose and amount of any fees not included in the advertised total price, and the final amount of payment at least as prominent as the total price.These disclosures must occur before the consumer consents to the transaction.
- The offeror cannot misrepresent the nature, purpose, amount or refundability of any fees or charges or the identity of the good or service where the fee is being charged in any offer or disclosure.
- The offeror must maintain records sufficient to establish the nature, purpose, amount, and refundability aspects of the fee – and the absence of such record is a presumption that the alleged fact is true.

Notably, the law would establish new requirements for businesses operating exclusively in New York City as New York State does not yet have a specific fee law, although the New York AG could arguably use its UDAP authority to address similar issues.

DC Housing Amendment

DC enacted a Fair Housing Practices Amendment on July 2, with an effective date forthcoming after the legislative review period. The law amends the prior Act to require certain notifications and a dispute process for assessment and collection of unpaid amounts after vacating a property, prohibit charging a fee for services required by the implied warranty of habitability, and prohibit a separate charge for common utility charges. The common utilities provision is effective January 2027.

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Stay tuned for part two in our fee transparency roundup, which will cover recent developments in New Jersey, Massachusetts, and California.