“Junk Fees” Summer 2026 Roundup Part 2 – State AG Enforcement on Fee Practices

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In this second installment of our Summer 2026 Roundup, we summarize recent enforcement efforts and announcements by State AGs pertaining to so-called “junk fees” and related affordability issues. These updates serve as another reminder of State AGs’ efforts to address pricing issues under existing state UDAP laws, even as new laws are taking hold in the states.

New Jersey “Junk Fees” Enforcement Statement

New Jersey Attorney General Jennifer Davenport joined forces in June with the state’s governor in an announcement “cracking down” on junk fees. While Governor Mikie Sherrill signed an executive order for agencies to recommend junk fee legislation, AG Davenport drafted an “Enforcement Statement” and provided new educational materials on her office’s interpretation of current law. The Statement “explains how some widespread practices surrounding junk fees may violate” New Jersey’s UDAP law, the Consumer Fraud Act (CFA). The office describes “junk fees” as hidden, surprise, or excessively overpriced fees providing little to no benefit to the consumer. According to the statement, these practices harm consumers by making it difficult to compare prices and causing them to pay higher prices because businesses exclude fees from the advertised price, hide them in fine print or deceptive designs, misrepresent the nature of the fee, and charge “completely worthless” fees. The guidance does not provide additional context on how to differentiate between “worthwhile” and “worthless” fees.

The AG further cites arbitration provisions in contracts as an additional hurdle to private litigation necessitating AG involvement. The AG explains that certain practices have already been illegal under the CFA, and the CFA is adaptable to combat new forms of fee practices, including:

- “**Drip pricing**” which they define as, “luring the consumer in with a low advertised price . . . and then tacking on fees later”
- “**Dark patterns**” with examples including hiding pricing information in “dense fine print,” terms, pop-ups, “manipulated font sizing,” text placement, and “complex clickthroughs.”
- **Misrepresentations** regarding the purpose, recipient, value, and optional nature of the fee, including a failure to disclose the existence or qualities of a fee that would be material to a purchase decision. The office highlights “focusing a buyer on a monthly payment amount without disclosing…an optional fee” if it would be material to the buyer as a potential violation of the CFA.

- **Unbundling** prices where the consumer would reasonably believe the unbundled goods or services would be included or itemization is not required by law.
- **Excessively high fees** applying unconscionability factors under the CFA. For example, the AG says it may be unconscionable to take a significant price markup on a fee that provides little or no value to the customer.
- **"Manipulated consent"** such as using prechecked boxes, violating the federal E-Sign Act's electronic consent requirements, or high-pressure sales. In this regard, the AG cited its recent Mariner Finance lawsuit as an example where company representatives allegedly quickly scrolled through contract terms on a screen in a way that made it hard for consumers to read and comprehend the terms.

Many states likely interpret their UDAP laws in a similar manner to New Jersey even in the absence of specific guidance.

Massachusetts and California AG Announcements on Industry-Specific Focuses

Also in June, both the Massachusetts and California AG offices made announcements on industry-specific enforcement efforts related to fee disclosure practices. Specifically, Massachusetts Attorney General Andrea Joy Campbell advised car dealerships that state motor vehicle regulations require document preparation fees and any other necessary dealership charges to be included in the total advertised price, and explained that such disclosure may require an additional Total Price label adjacent to the US "Monroney label." The advisory further noted a failure to comply with the specific motor vehicle regulations may also violate the more general Massachusetts Unfair and Deceptive Fees regulation, which requires generally the inclusion of all mandatory fees in advertised prices. The AG advised dealers that "it is not enough …to separately list the existence or amount of a doc fee elsewhere in an advertisement, even if it is prominently disclosed."

Separately, California Attorney General Rob Bonta announced a cross-sectional "Affordability Response Team" within his DOJ. The team is intended to "work to investigate and go after practices that are unlawfully raising costs . . .to tackle affordability from all angles" including "corporations, landlords, scammers, or policies that are driving up prices." He described the team as addressing a complex issue that "requires creative thinking." The specified "focus areas" of the team (with prior enforcement efforts highlighted in each category) include:

- Grocery, Gas, and Utility Costs
- Housing and Insurance Costs
- Healthcare Costs
- Childcare, Education, and Retirement
- "The High Cost of Enjoying Life" (described as "hiking up prices for entertainment, tech, and trips")
- Financial Protection
- Labor and Wages

- Scams

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AGs continue to demonstrate interest in fee transparency by bringing enforcement and issuing statements and guidance interpreting their UDAP or fee laws and increasing resources devoted to pricing or fees. However, even without issuing specific statements, AGs may be taking actions behind the scenes that mirror these interpretations. Combined with the increase in legislative activity discussed in our last installment, we expect this area to continue to be a hot topic for enforcer attention.