

# What We Learned from ... Massachusetts: “Junk Fee” Regulation Update

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Yael Shavit, Chief of the Consumer Protection Division at the Massachusetts Attorney General’s Office, recently joined a Kelley Drye webinar to unpack the Commonwealth’s new junk fee and auto-renewal [regulations](#) and walk through the business [guidance](#) issued by the office, which we also [discussed earlier this year](#). In effect since September, the regulations build on the Attorney General’s existing authority under Mass. Gen. Laws ch. 93A, which prohibits unfair and deceptive practices by setting out specific, prescriptive disclosure requirements in those two key areas.

## Cracking Down on Junk Fees

As we have [previously](#) noted, Massachusetts’ new junk fee regulations require that businesses disclose the “total price” up-front. Total price refers to the maximum amount a consumer must pay, excluding only government-imposed charges and shipping costs, and it must be displayed before any personal information is collected.

**Price tags with options.** The regulation contemplates that businesses may itemize fees in addition to displaying the total price. If they do, they must also disclose the “nature, purpose, and amount” of those fees in plain language at the same time. In practice, that means this disclosure should do more than simply name a fee, it should make clear to consumers what the fee actually covers. “The real question to ask,” Division Chief Shavit said, is whether the explanation is “enough for an ordinary consumer to understand what the point of this fee is and what it’s being used for.” She cautioned that businesses shouldn’t give a fee a label that sounds more acceptable or specific to consumers if the money isn’t actually used for that purpose. If a company represents that a charge goes toward something particular, she explained, “that needs to be true.”

**When a fee isn’t really optional.** A key theme of the discussion was how businesses should decide what actually belongs in the total price. “If it’s a fee that consumers can’t actually reasonably avoid, like a credit card processing fee, if there’s no other viable method of payment,” Shavit explained, “a seller can’t treat [that] as optional and therefore needs to include [it] in the total price.” Shavit highlighted examples such as processing fees when there’s no real alternative payment method or pre-checked add-ons a consumer has to actively remove. The total price also includes charges that are essential for the product or service to work as expected. Shavit used the example of a hotel charging separately for towels. Because a guest would reasonably expect towels to be part of the stay, that charge would need to be reflected in the total. By contrast, charges that may arise only after a transaction, such as a damage fee, Shavit noted, do not need to be included in the total price. And if a consumer makes a selection that changes the price, such as choosing an upgrade, the total must be updated to reflect that choice before the consumer proceeds further.

Shavit explained these rules are not about prohibiting fees altogether, they're about ensuring consumers understand what they're paying and why, and that consumers receive that information early enough in the transaction to make an informed decision.

## Rethinking Auto-Renewals

The auto-renewal provisions in 940 CMR 38.05 focus on trial offers and negative option contracts. As we've discussed in our [auto-renewal round up](#), states have taken varied approaches to these issues, and Massachusetts now adds one of the more prescriptive frameworks to the mix. Division Chief Shavit described these rules as working in tandem with the junk fee requirements, which address what consumers see at the front end of a transaction. The auto-renewal provisions extend those transparency principles to the renewal stage, requiring clear pre-purchase disclosures, affirmative consent, and simple, accessible cancellation mechanisms.

Unlike most state auto-renewal laws, Massachusetts requires businesses to tell consumers the exact "calendar date" by which they must cancel to avoid charges. For trial offers, that date must be disclosed before the consumer accepts the offer. For negative option features, it must be provided in the pre-renewal notice. The rationale, Shavit explained, is to ensure consumers "have the information they need to actually avoid the unwanted payment and to take the steps that they need to cancel a product they may not want." Because these dates are already known to the business, she noted the Attorney General's Office has not encountered evidence to suggest this obligation is impractical.

Another standout feature of Massachusetts' auto-renewal law is the notice requirement for contracts with renewal cycles of 31 days or less. Businesses must provide notice at least as frequently as the consumer is charged, including the amount charged and instructions on how to cancel. Division Chief Shavit explained that this requirement is designed to ensure consumers get meaningful, recurring reminders without forcing companies to overhaul their setups. Many businesses, she noted, can meet the standard by adapting existing billing or invoicing communications.

## Enforcement Outlook

These regulatory developments also reflect how the Massachusetts Attorney General's Office approaches consumer protection more broadly. Division Chief Shavit noted that the office's work is structured around two key divisions: the Consumer Protection Division, which enforces Mass. Gen. Laws ch. 93A, and the Consumer Advocacy and Response Division (CARD), which handles individual consumer complaints. Trends emerging from CARD often help shape enforcement priorities, including the areas above. Shavit also underscored the AG's broad investigatory powers, such as issuing civil investigative demands, seeking injunctive relief, and pursuing penalties of up to \$5,000 per violation.

The full webinar is available to watch [here](#).