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Junk Fee Prevention Act: Senators Introduce Bill to Eliminate Excessive Fees for Consumers

By Eryn Hoerster on 3.31.23 | Posted in Legislation, Online Travel Update

On March 22, 2023, Senators Richard Blumenthal (D-CT) and Sheldon Whitehouse (D-RI) introduced a bill "to limit and eliminate excessive, hidden, and unnecessary fees imposed on consumers." In response to President Biden's call for legislation, the "Junk Fee Prevention Act" was referred to the Senate Committee on Commerce, Science and Transportation for consideration.

The Junk Fee Prevention Act targets fees and pricing disclosures in the lodging, ticket, and to a limited extent, the airline and communications industries. With respect to the hotel and lodging industry, the proposed legislation could result in a reset in the market for hotels that charge a resort or amenity fee, and provide a level of uniformity between price disclosures made by hotels directly and those made by third-party applications used to advertise and book hotel rooms.

Specifically, the legislation would apply to both hotel/lodging providers as well as any third-party that "advertises rates or the purchase of short-term lodging." Such covered entities would be required to display – at the first time any price is shown – the "total price" of the lodging, including any "mandatory fee" that is either required, not reasonably avoidable, or not expected by a reasonable consumer to be included in the price. Violation of the Junk Fee Prevention Act would amount to an "unfair or deceptive act or practice" pursuant to the Federal Trade Commission Act. Enforcement would be provided by the FTC as well as State Attorneys General.

The Junk Fee Prevention Act is the latest legislative proposal aimed at targeting resort fees, following the February 2023 announcement of AB 537 in California. Similar bipartisan legislation was introduced in September 2019 in the US House of Representatives but was not enacted.

Click here to access the contents of the bill.