

Duff on Hospitality Law

## **Breaking Down the FTC's Junk Fee Rule: What's Next for Travel and Events**

on 12.23.24

Good Sunday morning from Seattle and happy holidays . . . Well, we definitely missed this one. Last week I wrongly predicted that we would see little near term progress on national junk fee regulation. With leadership at the FTC poised to change with the upcoming presidential transition, many thought that the FTC's ongoing efforts (and draft rule) were likely to be delayed or even killed. Outgoing leadership at the FTC apparently thought differently.

On Tuesday (December 17), the FTC announced its final junk fees rule. The final rule is much narrower than the proposed rule that was issued in October 2023 (and garnered 60,000 comments) and focuses exclusively on live-event ticketing and short-term lodging (i.e., hotels and short-term rentals). A few key highlights to consider:

- The rule does not prohibit resort or amenities fees (or any similar pricing model). Hotels may still impose the mandatory charges.
- The rule requires that the total price (rate plus other mandatory fees, excluding taxes) be clearly and conspicuously displayed whenever pricing is displayed or advertised. The total price must also be more prominently displayed than other pricing information.
- The new rule applies both to hoteliers and other third-party distribution platforms.
- The rule goes into effect 120 days after being added to the Federal Register (date uncertain) and could be invalidated by an act of Congress under the Congressional Review Act. The fact that the rule does not even go into effect until months into the Trump administration caused one FTC commissioner to dissent to the proposed rule – not on substantive grounds, but on procedural.

We've included below two of the many stories published this past week about the new final regulation. We've also attached copies of the many materials released by the FTC when the final rule was announced, including the full text of the rule and its background details.

If you have questions about the new rule or how it might affect your operations, please let us know. We are working with several clients on the implications of the final rule.

Have a wonderful holiday everyone.

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**Travel Technology Association Applauds Congress and the FTC for Advancing Consumer Protections and Price Transparency**

*December 18, 2024 via Travel Tech Association*

Laura Chadwick, President and CEO of the Travel Technology Association, released the following statement in response to the issuance of the Federal Trade Commission's final Junk Fee rule and the inclusion of S.2498, the Hotel Fees Transparency Act in the Continuing Resolution to be passed ...

**Junk Fees Law Added to Year-End Funding Bill**

*December 18, 2024 via Skift Travel News*

One federal law is a cleaner fix for confusing fees than having several state laws. Congress struck a deal Tuesday to include legislation that would protect consumers from hidden lodging fees in a year-end stopgap funding bill. The Hotel Fees Transparency Act of 2024, which was introduced by ...

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**Press Release - Federal Trade Commission Announces Bipartisan Rule Banning Junk Ticket and Hotel Fees**

**Concurring Statement of Commissioner Rebecca Kelly Slaughter**

**Fact Sheet - Junk Fees**

**Trade Regulation Rule on Unfair or Deceptive Fees**

**Dissenting Statement of Commissioner Andrew N. Ferguson**

**Getting to the bottom line - The FTC's bipartisan Junk Fees Rule and your business**

**Statement of Chair Lina M. Khan**

**Statement of Commissioner Melissa Holyoak**

**FTC Finalizes New Rule Cracking Down On 'Junk Fees'**