

Junk Fees Prevention Act of 2025

Section-by-Section Summary – Office of Rep. Janelle Bynum

Section 1: Short Title

Section 2: Protecting Consumers from Excessive and Hidden Fees

This section focuses on protecting consumers from hidden, excessive, and deceptive fees in various industries

- **Protecting from Hidden Fees:** Covered entities must clearly display the total price of a good or service, including all mandatory fees and government charges, in all advertisements and when a price is first shown to a consumer. Additionally, any mandatory fee cannot change from the one that was advertised.
- **Excessive Fees:** Covered entities are prohibited from imposing or advertising mandatory fees that are excessive or deceptive.
- **Ticket Holdbacks:** For live performances, including sporting events or concerts, a covered entity must publicly disclose the total number of tickets offered for sale at least 72 hours before the first public sale or pre-sale.
- **Protecting Refunds:** Covered entities must clearly disclose their refund policy before a transaction is completed. If a refund is given, it must include the total cost of the ticket, including any mandatory fees.
- **Speculative Ticketing:** If a covered entity sells a ticket that it does not yet possess, it must provide clear notice to the consumer. If the entity cannot provide the ticket in a timely manner before the event, it must give the consumer a full refund.
- **Rulemaking and Enforcement:** The Federal Trade Commission (FTC) can create rules regarding the disclosure and imposition of mandatory or deceptive fees. In determining if a fee is excessive, the FTC or a court will consider if the fee is reasonable and proportional to the cost of the good or service, the reason for the fee, and any other relevant factors. Enforcement of this section falls to both the FTC and State attorneys general, with specific guidelines for how these actions can be carried out.
- **Definitions:** A “covered entity” includes providers of short-term lodging, ticketing services for events, and other entities determined by the FTC. A “deceptive fee” is one where the nature, purpose, amount, or refundability is misrepresented, or a mandatory fee is presented as optional. A “mandatory fee” is any fee a consumer must pay to buy the good or service that is not reasonably avoidable or is for something a reasonable consumer wouldn’t expect to be included in the advertised price.

Section 3: Communications Service Fees

This section addresses fees charged by communications service providers, such as those for broadband internet, voice service, and mobile service.

- **Ending Early Termination Fees:** A provider of a covered service cannot charge a consumer an excessive or unreasonable fee for terminating a service before the end of their contract. After termination, the provider must give the consumer a prorated credit or rebate for the remaining days in the billing cycle.

- **Truth in Billing and Advertising:**
 - **Billing:** Providers must state an aggregate price for the service on a single, clear line item on the consumer’s bill. If an introductory or temporary price is being charged, the bill must also state the end date of that price and the post-promotion rate at least 60 days and 30 days before the rate changes.
 - **Promotional Materials:** Advertisements must also state an aggregate price. If the price fluctuates by location, the provider must state how a consumer can find the location-specific price. If the price is temporary, the materials must state the post-promotion rate and the period each rate applies.
 - **Rulemaking:** The Federal Communications Commission (FCC) must begin a rulemaking proceeding within 180 days of the Act’s enactment to consider requiring the disclosure of mandatory fees and prohibiting their imposition if a consumer would reasonably assume the fee was included in the advertised price.

Section 4: Air Carrier Ancillary Fee Transparency

This section adds new requirements for air carriers to report on ancillary fees.

- **Reporting Requirements:** The Secretary of Transportation will require air carriers operating in the U.S. to file quarterly reports on the total revenue from ancillary fees. These reports must include the total revenue, a breakdown by each critical ancillary service and class of service, the method of collection, and the average dollar amount charged per critical ancillary service. This information will be compiled and published on the Department of Transportation’s website.
- **Definitions:** “Ancillary fees” are any fees charged for a “critical ancillary service” or any other service not subject to taxation under the Internal Revenue Code. A “critical ancillary service” is a supplemental service that is critical to a consumer’s purchasing decision, such as transporting baggage, modifying or canceling a reservation, or selecting a seat.