



ATTORNEY GENERAL WILLIAM TONG
STATE OF CONNECTICUT

**Testimony of Attorney General William Tong
in Support of Senate Bill No. 15, An Act Requiring Fee Disclosures
General Law Committee
Thursday, February 22nd, 2024**

Thank you for the opportunity to submit testimony in support of Senate Bill No. 15, which would combat the all-too-common problem of hidden “junk” fees across three major consumer-facing industries, namely, the sale of event tickets, the sale and delivery of food and beverages, and the rental of hotel rooms and other short-term accommodations. I appreciate the Governor proposing this bill, which if enacted, would be a major win for Connecticut consumers.

Junk fees are charges that are not included in the advertised price of a product or service but are ultimately imposed on consumers, other than taxes required by a government entity. Sellers and lodging operators use junk fees to misrepresent the actual total price by advertising an artificially low price and then adding on hidden fees and costs. It is a classic bait-and-switch.

This bill builds on this Committee’s efforts last year, to require all-in ticket pricing for live events in Public Act 23-98, which prohibits any increase in price, other than delivery fees for a non-electronic tickets, from the time that the consumer selects a seat until they checkout. **Importantly, Senate Bill No. 15 closes a loophole in last year’s legislation by requiring all-in pricing from the moment the ticket is first advertised, displayed, or offered, even prior to the consumer selecting their seat.** Since the enactment of Public Act 23-98, we have heard from consumers that ticketing platforms continue to run ads or otherwise offer tickets that do not include all-in pricing, prior to the selection of a seat. Senate Bill No. 15 would close this gap in the disclosure law.

Consumers deserve to know the full cost up-front, not be shocked or surprised at the time of payment that the actual price is far higher than originally disclosed. Too often, however, consumers find themselves paying higher prices for goods and services than they were led to believe up front, rendering useless their time and effort in comparison shopping to find fair prices.

This proposal would require that those selling event tickets, food, beverages, or lodging, directly or through a third-party digital platform, list the total price, including all mandatory fees and charges other than taxes imposed by a government entity when advertising, displaying, or offering prices for their goods and services. It would also make clear that the failure to do so violates the Connecticut Unfair Trade Practices Act (CUTPA). This section does not burden businesses because it only makes plain what is already expected: honestly tell consumers what their product or service costs up front. It also levels the playing field among competitors across the named industries.

This proposal is not only consistent with, but would bolster, the United States Federal Trade Commission’s proposed Trade Regulation Rule on Unfair or Deceptive Fees. NPRM 207011.



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I strongly support the FTC's proposal to outlaw of junk fees altogether. The proposed federal rule would make it an unfair or deceptive trade practice under the FTC Act to advertise an amount the consumer may pay without clearly disclosing the total price and misrepresent the nature of fees imposed. While the proposed federal rule would apply broadly to most industries, it would not supersede, alter, or affect any state statute or regulation. In other words, it would allow states to enact greater protections than afforded by the federal rule to protect consumers from junk fees and bait-and-switch pricing. While the FTC rule is quite sweeping, it does not provide for state enforcement. Senate Bill No. 15 would further protect consumers from this abusive conduct in three major industries, by giving Department of Consumer Protection and the Office of the Attorney General better tools to police this deceptive activity when we become aware of it.

In our work at the Office of the Attorney General, we commonly encounter the use of junk fees as part of a pattern of other deceptive conduct. Our investigations have revealed junk fees charged by internet and cable providers, hotels and short-term lodging providers, delivery services, and car rental and travel companies. Given what we have seen across the marketplace, the Office of the Attorney General would support an even broader bill, that captures all sectors.

I recently traveled with my daughter on a college visit. In the weeks leading up to the trip, I spent valuable time online using a third-party platform to comparison shop. I was able to find a good rate at a very nice hotel for the location and dates I needed. I thought it was a bargain, until we checked in and the hotel revealed a surprise "activities" fee. It's a classic bait and switch. Of course, like far too many consumers faced with similar surprise fees, I had no real choice but to pay it.

All consumers deserve honesty and clarity when making this type of purchase.

Thank you once again for the opportunity to submit testimony on this bill. For additional information, please contact Cara Passaro, Chief of Staff to the Attorney General, at cara.passaro@ct.gov.