

## **SENATE BILL 1248**

AN ACT EXPANDING CONSUMER PROTECTIONS

## The Current Situation

According to the American Economic Liberties Project, junk fees cost the average American family more than \$3,000 per year and can raise final purchase prices by more than 20%. Families most commonly see junk fees on event tickets, hotels, lodging, travel, and food delivery services, but they are not exclusive to these industries. Landlords are also tacking undisclosed fees onto rental units, altering the advertised list price at the time of lease signing.

Junk fees deceptively increase costs for consumers at checkout and signing, limiting their ability to find the best price without tedious searching. Consumers are being "nickel and dimed" by corporations and landlords who are turning profits via service fees, add-on charges, and other junk fees that aren't disclosed up front.

Junk fees distort true pricing, limit market competition, and put businesses and properties charging one true price at a disadvantage, while competitors hide the total price from consumers by tacking on charges on the back end.

We have also recognized that some businesses make people jump through hoops to cancel a subscription or even a free trial. While you might be able to subscribe with the click of a button, canceling can turn into what feels like a multi-part series that no one wants to watch.

Onerous cancelation requirements coupled with slyly silent auto-renewals can make it a hassle for families to end unwanted subscriptions, forcing them to pay for a service they no longer use.



Recent years have seen a proliferation in junk fees in rental housing leases, too. These fees are not included in the advertised rent and are added only when a lease is given to a tenant, or worse once the tenant has already moved in.

## **Governor Lamont's Solution**

Require "all-in pricing," which forces the disclosure of the full cost – including junk fees – on the front end of a priced quote. In addition, the legislation will require price transparency from all businesses, corporations, and landlords to ensure that consumers are able to make better, well-informed purchases, and will subsequently increase competition and drive prices down.

Extend the all-in pricing provisions to residential leases, ensuring landlords disclose any fees up front in advertising and in conversations with tenants. Utilities, pet fees, and fees for services provided are explicitly excluded.

Connecticut residents will also be able to cancel memberships and subscriptions as easy as companies make it to sign-up. Businesses that enter into an autorenewal subscription with someone will be required to provide a user-friendly means (online, email, phone) to cancel the subscription without delay or onerous stipulations.

Any violations of these consumer protections will constitute an unfair trade practice. Those found liable for violation of the rental junk fees will be liable to the tenant for one month's rent and attorney's fees.