

State Attorneys General and Continued Enforcement Against ‘Junk Fees’ in 2026

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“Junk fees” have become a central political and regulatory buzzword in recent years. The term generally refers to extra charges tacked onto purchases — such as convenience, service, resort, or handling fees — that are either not disclosed, or not clearly disclosed, in the initial advertised price. These charges often only appear late in the transaction process, a pricing tactic commonly known as “drip pricing.”

In response to growing consumer frustration and broader concerns about affordability, state legislatures and regulators have increasingly required transparency in both initial advertising and the checkout experience across multiple industries. While the recent push to regulate “junk fees” reflects a growing bipartisan trend at both the federal and state levels, this is not new territory for state Attorneys General (“AGs”).

Long before “all-in pricing” statutes and dedicated junk fee regulations were enacted, state unfair and deceptive acts and practices (“UDAP”) or consumer protection laws served as the primary tools for policing these practices. The new legislative and regulatory initiatives layer onto these existing authorities rather than replace them. Incidentally, state AGs have ramped up enforcement measures targeting instances of deceptive pricing.

Federal momentum

The federal government has taken steps in recent years to address junk fees and drip pricing, with support across both the Biden and Trump administrations. Under President Biden, the Federal Trade Commission (“FTC”) proposed its [Trade Regulation Rule on Unfair or Deceptive Fees](#), and issued [guidance](#), to states that would require companies in the short-term lodging and live-event ticketing space to include all mandatory costs in their advertised prices.

The goal was straightforward: Consumers should see the true total cost (excluding tax) upfront, not just a partial price that excludes unavoidable fees.

The rule prohibits a range of pricing tactics that misrepresent or obscure fees and requires that:

- The total price be prominently displayed in advertising and throughout the purchasing process.
- All known or reasonably calculable mandatory charges be included in the advertised price.

- Any additional fees that may be permissibly excluded from initial advertising — such as taxes, shipping, or optional add-ons — be clearly disclosed before the consumer reaches the final checkout page or payment screen.

Days after the rule came into effect, the FTC took the extraordinary step of publishing a [Warning Letter](#), sent to leading ticket resale marketplace StubHub alleging violations of the Rule and warning against further “misrepresent[ation] of the price of tickets in violation of the Fees Rule.” ahead of the release of the NFL 2025 schedule with a high volume of sales.

On April 9, 2026, the FTC announced a settlement requiring StubHub to pay \$10 million in restitution to U.S. customers who purchased live-event tickets between May 12 and May 14, 2025, resolving allegations that StubHub advertised ticket prices without including mandatory fees and failed to disclose the full total price wherever prices were displayed.

Although the FTC’s rule was a Biden-era initiative, issued in late 2024, it was enacted and became effective under the Trump Administration in May 2025 and has received continued support since. The FTC, under President Trump’s administration, issued a set of [Frequently Asked Questions](#), (“FAQs”) to help businesses navigate the rule’s requirements and understand its industry-specific focus.

President Trump’s administration also signaled that price transparency would be a priority for his second term. Approximately two months into Trump 2.0, on March 31, 2025, the [Combating Unfair Practices in the Live Entertainment Market Executive Order](#), was signed. While that order focuses on the live concert and entertainment industries, it directs the FTC to protect consumers by enhancing price transparency in the ticket purchasing process, among other measures.

State action

Although there has been some federal activity, much of the early legislative progress against junk fees and drip pricing occurred at the state level, with California often taking the lead. As more states act, a complex patchwork of requirements is emerging, often tailored to specific industries. States have taken varied approaches:

- Several states have opted for comprehensive regimes, targeting all consumer goods and services rather than particular industries such as ticketing and short-term lodging/hospitality.
- [California](#), [Colorado](#), [Connecticut](#), (effective July 1, 2026), [Massachusetts](#), (accompanied by state [guidance](#)), [Minnesota](#), [Oregon](#), and [Virginia](#), have all passed broader price transparency statutes or regulations that require “all-in” pricing or equivalent disclosures across most or all consumer transactions.

States such as [Connecticut](#), [Maryland](#), [Minnesota](#), [New York](#) (effective until July 1, 2026), [North Carolina](#), [Tennessee](#) have focused on requiring transparent pricing for live-event tickets.

These statutes generally require that the total ticket price — including mandatory fees — be disclosed clearly and prominently to consumers.

- [Maine’s](#) legislation, which became effective shortly after the FTC’s regulation, mirrors the federal focus on short-term lodging and live-event ticketing.

- [California](#) has passed legislation specifically targeting short-term lodging, including the disclosure of resort and similar fees.

Most recently, New York City's mayor, Zohran Mamdani, [announced](#) a final rule that would seek to ban hotels from utilizing hidden junk fees through the city. This rule was based on the FTC's rule, but it seeks to also target deceptive credit card holds.

Across these varied approaches, certain core requirements recur:

- Clear and conspicuous disclosure of the total price.
- Prominent display of the total price (not just base price) in advertising and throughout the transaction.
- Inclusion of all mandatory fees in the advertised total price.
- Clear labeling of waivable or optional fees as such.
- Disclosure of the final total price — including shipping, taxes, and governmental fees — before the consumer is committed to the purchase.

Although these themes are consistent, state-specific nuances matter. Definitions, timing of disclosures, and what must be included in the “total price” can vary from one state to another. Companies operating in multiple jurisdictions should carefully map and monitor these variations.

Enforcement

Even as new statutes and regulations proliferate, state AGs have long relied on UDAP and consumer protection laws to challenge allegedly deceptive pricing practices. That enforcement has intensified in recent years, particularly in industries where AGs perceive drip pricing and junk fees are prevalent:

Hospitality and short-term lodging

Major hotel chains — including [Hilton](#) and hospitality reservation companies, as well as online reservation platforms — faced enforcement actions by AGs across the political spectrum. These matters frequently involve allegations that:

- Advertised room rates excluded mandatory resort or similar fees; and/or
- Mandatory fees were “buried” within generalized “Taxes and Fees” line items at checkout rather than disclosed upfront as part of the total price.

Settlements with these companies have generally required clearer and earlier disclosure of mandatory fees and, in some cases, changes to how prices are displayed in search results and on booking pages.

Food delivery platforms

The food delivery industry has similarly attracted AG scrutiny. For example, in late 2022, Grubhub settled with the District of Columbia and the Pennsylvania AG over allegations related to price transparency. In late 2024, Grubhub reached an additional [settlement](#) with the Illinois AG and the FTC.

Among other things, these matters have required Grubhub to:

- Inform customers of the added cost of delivery;
- Separately describe taxes and fees; and
- Prominently disclose that additional fees may apply, rather than revealing them only at the end of the transaction.

Live-event ticketing

Live-event ticketing has been a particular flashpoint. In September 2025, the FTC and seven states [sued](#) Live Nation Entertainment and its subsidiary Ticketmaster for, inter alia, their historic drip pricing practices. On January 6, 2026, the defendants moved to dismiss the complaint. They argued that Counts I–III alleging deceptive claims regarding ticket prices, artists’ ticket limits, and violations of the Better Online Ticket Sales Act should be dismissed for failure to state a claim, that Counts IV–X alleging violation of various state consumer protection statutes should be dismissed for lack of jurisdiction.

The case is ongoing with the FTC most recently filing an opposition to Live Nation’s Motion to Dismiss.

Prior to the FTC’s warning letter in May 2025, referenced above, in 2024, StubHub was [sued](#) by the District of Columbia AG and remains in active litigation over allegations that it omitted mandatory fees from its advertising and failed to explain the purpose of various fees charged to consumers. StubHub moved to dismiss the case in September 2024, but on February 13, 2025, the court denied that motion, holding that the District had plausibly alleged that StubHub’s fees and purchase flow could mislead consumers about the true total price and what they are paying for.

Conclusion

The expanding array of federal and state laws and enforcement actions targeting junk fees and drip pricing has created a complex, evolving compliance landscape. Nevertheless, the core expectation from regulators is consistent: Consumers should see the full, unavoidable cost of a product or service clearly and early in the purchasing process.

When evaluating whether to impose a fee and how to disclose it, businesses should consider the following questions:

- Reasonableness: Does the fee bear a reasonable relationship to the cost or value of the service?
- Necessity: Is the fee a mandatory fee or optional fee?
- Aggregation: Is the mandatory fee built into the cost of the product or service?
- Transparency: Were the total price and optional fees clearly disclosed before the consumer committed?

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