



Attorney General Bonta's Sponsored Bill to Ban Hidden Fees in California Signed into Law

Press Release / Attorney General Bonta's Sponsored Bill to Ban Hidden Fees...

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OAKLAND — California Attorney General Rob Bonta today issued a statement in response to Senate Bill 478 (SB 478), a bill that he co-sponsored with the California Low-Income Consumer Coalition, being signed into law by Governor Gavin Newsom.

Coauthored by Senator Bill Dodd (D-Napa) and Senator Nancy Skinner (D-Berkeley), the legislation will prohibit hidden fees (also called 'junk fees') in California beginning on July 1, 2024. Hidden fees are fees in which a seller uses an artificially low headline price to attract a customer and usually either discloses additional required fees in smaller print, or reveals additional unavoidable charges later in the buying process.

"Today, California is eliminating hidden fees," **said Attorney General Rob Bonta**. "These deceptive fees prevent us from knowing how much we will be charged at the outset. They are bad for consumers and bad for competition. They cost Americans tens of

billions of dollars each year. They hit families who are just trying to make ends meet the hardest. And, because a growing list of websites, apps, and brick-and-mortar businesses are using them, they penalize companies that are upfront and transparent with their prices. With the signing of SB 478, California now has the most effective piece of legislation in the nation to tackle this problem. The price Californians see will be the price they pay. I am deeply grateful to Senators Dodd and Skinner, the authors of SB 478, for their commitment to protecting consumers."

"With the governor's signing of this historic bill, we can finally take aim at dishonest junk fees that are tacked onto seemingly everything – from online concert tickets to hotel reservations," **said Senator Bill Dodd**. "Now we can put the consumer first and create a level playing field for those businesses that advertise the real price, up front. I appreciate everyone who worked to end these dishonest charges that boost corporate profits at the expense of those who can least afford it."

"California sent a clear message today: The days of bait-and-switch pricing practices are over," **said Senator Nancy Skinner**. "With Gov. Newsom's signing of SB 478, Californians will know up front how much they're being asked to pay, and no longer be surprised by hidden junk fees when buying a concert or sports ticket or booking hotel rooms for their family vacation."

After announcing that he was sponsoring SB 478 in February 2023, Attorney General Bonta urged the California Legislature to approve the legislation in March 2023, heeding the call from the Biden-Harris Administration and the Consumer Financial Protection Bureau for states to better address the nationwide concern of hidden fees. In May 2023, he held a press conference in San Diego to highlight the bill's importance.

Deceptive price advertising is a significant problem facing consumers that appears to be proliferating in more and more sectors of the economy. Hidden required fees are now charged for a variety of goods and services, such as lodging, tickets for live events, and restaurants and food delivery. These fees, when mandatory, are a deceptive way of hiding the true price of a good or service.

The text of the legislation is available here.

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