

New York City Department of Consumer and Worker Protection

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Department of Consumer and Worker Protection (“DCWP” or “Department”) is proposing to add rules that prohibit charging consumers hidden “junk fees.”

When and where is the hearing? DCWP will hold a public hearing on the proposed rule. The public hearing will take place at 11:00 AM on August 7, 2026. The public hearing will be accessible by phone and videoconference.

- To participate in the public hearing via phone, please dial: +1 646-893-7101
 - Phone Conference ID: 889 626 928#
- To participate in the public hearing via videoconference, please follow the online link:
 - <https://tinyurl.com/4tntzv6>
 - Meeting ID: 237 286 214 422 008
 - Passcode: GQ3xJ2Jd

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to DCWP through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to Rulecomments@dcwp.nyc.gov.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by emailing Rulecomments@dcwp.nyc.gov. You can also sign up on the phone or videoconference before the hearing begins at 11:00 AM on August 7, 2026. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

Is there a deadline to submit comments? Yes. You must submit any comments to the proposed rule on or before **August 7, 2026**.

What if I need assistance to participate in the hearing? You must tell DCWP’s External Affairs division if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You may tell us by email at Rulecomments@dcwp.nyc.gov. Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by July 31, 2026.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. A few days after the hearing, all comments received by DCWP on the proposed rule will be made available to the public online at <http://www1.nyc.gov/site/dca/about/public-hearings-comments.page>.

What authorizes DCWP to make this rule? Sections 1043 and 2203(d) of the New York City Charter and sections 20-701 and 20-702 of the New York City Administrative Code authorize the Department of Consumer and Worker Protection to make these proposed rules.

This proposed rule was included in the Department of Consumer and Worker Protection’s regulatory agenda for this Fiscal Year.

Where can I find DCWP’s rules? The Department’s rules are in title 6 of the Rules of the City of New York.

What laws govern the rulemaking process? DCWP must meet the requirements of section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of section 1043 of the City Charter.

Statement of Basis and Purpose of Proposed Rule

The Department of Consumer and Worker Protection (“DCWP” or “Department”) is proposing a rule that makes it a deceptive and unconscionable trade practice to tack extra “junk fees” on to the advertised price of a good or service. Junk fees are hidden or obscured fees that a business excludes from the advertised price. Because these fees appear later in the transaction, often at the point of checkout, consumers are surprised with a total price that is higher than expected.¹

Junk fees have become increasingly common across a range of industries that use this “bait and switch” tactic to attract consumers with a lower advertised price that does not reflect the full amount a consumer will pay. Such industries include third-party delivery applications,² rental housing,³ hotels and short-term lodging,⁴ and live-event tickets,⁵ among others.

These extra fees can have significant economic effects, with national studies indicating that junk fees cost consumers tens of billions of dollars every year,⁶ an average of \$3,200 per year for a family of four.⁷ In

¹ Hedy Yang, “How States Can Take on Junk Fees,” American Economic Liberties Project, August 2023, available at <https://www.economicliberties.us/our-work/how-states-can-take-on-junk-fees/>, last accessed June 4, 2026; “Request for Public Comment,” FTC Proposed Rule, 16 CFR Part 464, Trade Regulation Rule on Unfair or Deceptive Fees, Federal Register /Vol. 88, No. 216 /Thursday, November 9, 2023 / Proposed Rules at 77432 - 77433 available at <https://www.regulations.gov/document/FTC-2023-0064-0001>.

² “Request for Public Comment,” FTC Proposed Rule, 16 CFR Part 464, *supra* footnote 1 at 77436-77437; Restaurant Business, “Senators question DoorDash and Uber Eats over ‘hidden fees’ for consumers,” April 18, 2025 available at <https://www.restaurantbusinessonline.com/technology/senators-question-doordash-uber-eats-over-hidden-fees-consumers>, last accessed June 4, 2026.

³ National Consumer Law Center, “‘What the Heck, Dude!’ How States Can Fight Rental Housing Junk Fees,” November 2025, available at https://www.nclc.org/wp-content/uploads/2024/09/202511_Report_What-the-Heck-Dude-1.pdf, last accessed June 4, 2026.

⁴ “Request for Public Comment,” FTC Proposed Rule, 16 CFR Part 464, *supra* footnote 1, at 77423.

⁵ Hedy Yang, *supra* footnote 1, *citing* Santana, S., Dallas, S. K., & Morwitz, V. G. Consumer Reactions to Drip Pricing, *Marketing Science*, 39(1), 188–210, January 15, 2020 available at <https://doi.org/10.1287/mksc.2019.1207>; “Request for Public Comment,” FTC Proposed Rule, 16 CFR Part 464, *supra* footnote 1, at 77424.

⁶ CNBC “Junk fees cost consumers tens of billions annually, according to the White House,” March 21, 2023, available at <https://www.cnbc.com/2023/03/21/junk-fees-cost-consumers-tens-of-billions-annually-according-to-the-white-house.html>, last accessed June 4, 2026.

⁷ Penelope Wang, “Protect Yourself From Hidden Fees,” *Consumer Reports*, May 29, 2019, available at <https://www.consumerreports.org/money/fees-billing/protect-yourself-from-hidden-fees-a1096754265/>, last accessed June 4, 2026.

New York City, where consumers already face rapidly rising costs, the extra burden of hidden junk fees has a very real impact.⁸

The proposed rule addresses junk fees by making it a deceptive trade practice to offer, display or advertise the price of a good or service without clearly and conspicuously posting the total price, meaning the price including all mandatory charges and fees. Mandatory fees are fees that a consumer must pay to purchase a good or service being advertised. This includes fees that are not reasonably avoidable by a consumer, such as fees that are hidden on the purchase page or difficult to remove from a purchase. This also includes fees for part of a good or service that a reasonable person would expect to be included in the purchase. Capturing these types of fees in the definition of mandatory fees will prevent businesses from partitioning aspects of goods or services as optional to avoid listing a higher total price, when in fact, such aspects are necessary to use such good or service and a consumer would expect them to be included.

Additionally, the proposed rule requires that the total price be at least as prominent as other pricing information, and prohibits businesses from misrepresenting the nature, purpose, amount or refundability of any fees or charges, or the identity of the good or service for which the charge or fee is imposed.

This “all in” pricing requirement applies to any price for a good or service that is offered, advertised, or displayed, whether it is a fixed price for an item or service, or tied to a variable like an hourly rate or service based on a unit of measurement. Anywhere a person, meaning an individual or business, chooses to advertise, offer, or display a specific price, that advertisement, offer, or display must include a disclosure of the total price. For example, a service advertising an hourly rate must include the hourly rate with all mandatory fees in that advertisement, or a cleaning business that advertises a rate per room must include the per-room rate with all mandatory fees in the advertisement.

The proposed rule further requires that before the consumer consents to pay for a good or service, the business must provide a full price breakdown that includes any fees excluded from the total price, such as optional add-ons, shipping, or taxes, and the final amount of the payment.

Because junk fees persist across many new and evolving industries, the Department’s proposed rule is industry-neutral, and applies to anyone advertising in New York City and to New York City consumers, which will ensure the robust and thorough coverage necessary to protect all consumers encountering these fees. This approach is in keeping with the Department’s longstanding practice of ensuring price transparency through laws and regulations that are broadly applicable to anyone doing business in the City.⁹

Additionally, this proposed rule builds on a range of price disclosure requirements that the Department already enforces for different businesses that it licenses and regulates, including most recently a rule addressing junk fees in hotel stays.¹⁰

⁸ Mayoral Executive Order 09, “Combatting Hidden Junk Fees,” January 5, 2026 available at <https://www.nyc.gov/mayors-office/news/2026/01/executive-order-09>.

⁹ See, e.g., NYC Admin. Code § 20-708 (requiring all retail sales in New York City to display the total selling price); 6 RCNY § 5-12 (setting out broad restrictions on advertisements for two or more similar items or services).

¹⁰ See, e.g., NYC Admin. Code § 20-881 (requiring anyone advertising ticket prices for live events to disclose the total ticket cost); 6 RCNY § 5-15 (requiring disclosure of the total price in all advertisements for hotel stays).

Notably, other jurisdictions have taken a similarly broad approach to regulating junk fees for anyone doing business within their jurisdictions, including California,¹¹ Massachusetts,¹² and Minnesota.¹³ These generally applicable laws and regulations, including the Department’s proposed rule, will encourage consistency and fair competition across industries by providing consumers with the transparent price information they need to compare prices and make informed purchasing decisions.¹⁴

The proposed rule will not apply to price disclosures as to which regulation is preempted by federal or state laws or regulations. The Department has already reviewed several laws that other jurisdictions have exempted from similar “junk fee” regulations or that the Federal Trade Commission identified as potentially overlapping with their proposed “junk fee” rule.¹⁵ The Department invites comments whether these laws – or any other federal or state laws – would conflict with the requirements of the proposed rule.

The proposed rule sets out a recordkeeping requirement to streamline enforcement and allows the Department to request records relevant to the basis of any advertised or disclosed charge or fee. Requiring preservation and production of records concerning the nature, purpose, amount or refundability of charges and fees will help ensure businesses cannot, for example, deceptively charge a “service fee” that does not support service workers, or a “processing fee” unrelated to the costs of processing transactions. Additionally, it will allow the Department to assess whether a charge or fee was properly excluded from the total price, for example, an excessively high shipping fee that is unrelated to actual shipping costs.

The proposed rule also provides that failure to maintain, retain, or produce a record that is required to be maintained under this section that is relevant to a material fact alleged by the Department in a summons, petition, or other notice of hearing issued pursuant to this section creates a presumption that such fact is true. In other words, if the Department alleges a violation based on the exclusion of an excessively high shipping fee from the total price, the absence of records demonstrating that the fee is based on actual shipping costs, will create a presumption that the fee is not based on actual shipping costs.

Finally, the proposed rule sets out relevant penalties for violations of this proposed rule.

Sections 1043 and 2203(d) of the New York City Charter and sections 20-701 and 20-702 of the New York City Administrative Code authorize DCWP to make this proposed rule.

¹¹ Section 1770(a)(29) of the California Civil Code; *see also* “SB 478 - Hidden Fees,” Attorney General Rob Bonta available at <https://oag.ca.gov/hiddenfees>, last accessed June 4, 2026.

¹² 940 CMR 38.00; *see also* “AG Campbell Releases “Junk Fee” Regulations To Help Consumers Avoid Unnecessary Costs,” March 3, 2025 available at <https://www.mass.gov/news/ag-campbell-releases-junk-fee-regulations-to-help-consumers-avoid-unnecessary-costs>, last accessed June 4, 2026.

¹³ Minn. Stat. Ann. § 325D.44(1a); *see also* “Frequently Asked Questions About Minnesota’s New Price Transparency Law,” Office of the Minnesota Attorney General, available at https://www.ag.state.mn.us/Price-Transparency/PriceTransparencyLaw_FAQ.pdf, last accessed June 4, 2026.

¹⁴ *Hedy Yang*, *supra* note 1.

¹⁵ The laws and regulations the Department reviewed include the Truth in Savings Act (12 U.S.C. section 4301 *et seq.*), the Truth in Lending Act (15 U.S.C. sections 1601-1667f), Electronic Fund Transfer Act (15 U.S.C. § 1693 *et seq.*), Section 19 of the Federal Reserve Act, the Real Estate Settlement Procedures Act (12 U.S.C. 2601 *et seq.*), the Federal Home Ownership and Equity Protection Act (15 U.S.C. sections 1601-02, 1639-41), the Rule on Unfair or Deceptive Fees (16 C.F.R. Part 464), the Business Opportunity Rule (16 C.F.R. Part 437), the Mortgage Acts and Practices Advertising Rule (Regulation N, 12 C.F.R. Part 1014), the Mortgage Assistance Relief Services Rule (Regulation O, 12 C.F.R. Part 1015), the Telemarketing Sales Rule (16 C.F.R. Part 310), the consumer broadband label requirements in section 8.1(a) of Title 47 of the C.F.R., or the requirements of Truth in Billing and Advertising in section 76.310 of Title 47 of the C.F.R.

New material is underlined.

[Deleted material is in brackets.]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Subchapter A of chapter 5 of Title 6 of the Rules of the City of New York is amended by adding a new section 5-16, to read as follows:

§ 5-16 General Fee Disclosures.

(a) Definitions.

Mandatory fees and charges. “Mandatory fees and charges” mean fees or charges that must be paid in order to purchase the goods or services being advertised and include: (1) fees that are not reasonably avoidable by the consumer, and (2) any separate fees for aspects of the good or service that a reasonable person would expect to be included in the purchase of the goods or services being advertised.

Person. “Person” has the same meaning as set forth in section 20-102 of the Administrative Code.

Total price. “Total price” means the maximum total of all charges and fees that a consumer must pay, including all mandatory fees and charges, but excluding taxes and fees imposed by a government, and postage or carriage charges that will be reasonably and actually incurred to ship a physical good to the consumer. If charges are made on a periodic basis, e.g., monthly, “total price” means the total of all mandatory charges and fees for one period, e.g., one month.

(b) Applicability.

This section applies to any person who offers, displays or advertises goods or services in New York City, or to a New York City consumer, except to the extent that regulation of such offer, display or advertisement is preempted by federal or state laws or regulations.

(c) It is a deceptive and unconscionable trade practice for any person to offer, display, or advertise the price of a good or service without disclosing the total price in a clear and conspicuous manner. Any such offer, display, or advertisement must disclose the total price at least as prominently as any other pricing information. If charges are made on a periodic basis, any offer, display or advertisement must include both the total price for the relevant time period and the total amount of any non-recurring mandatory charges or fees, such as one-time enrollment or sign up fees, both of which must be disclosed at least as prominently as other pricing information.

(d) Before a consumer consents to pay, the person offering, displaying, or advertising the price of a good or service must disclose clearly and conspicuously:

(1) The nature, purpose, and amount of any fee or charge imposed on the transaction that has been excluded from the advertised total price, and the identity of the good or service for which the fee or charge is or will be imposed;

(2) The final amount the consumer must pay for the transaction, which must be disclosed more prominently than, or as prominently as, the total price.

(e) It is a deceptive and unconscionable trade practice for any person to mispresent the nature, purpose, amount or refundability of any fees or charges, or the identity of the good or service for which the charge or fee is imposed, in any offer, display or advertisement subject to subdivision (c) of this section or disclosure subject to subdivision (d) of this section.

(f) Records.

(1) A person subject to this section must maintain records sufficient to establish the basis, including the nature, purpose, amount or refundability for any fee or charge that is included in an offer, display, or advertisement subject to subdivision (c) of this section or included in the fee breakdown required under subdivision (d) of this section, and must make these records available to the Department upon request.

(2) A person's failure to maintain, retain, or produce a record that is required to be maintained under this section that is relevant to a material fact alleged by the Department in a summons, petition, or other notice of hearing issued pursuant to this section creates a presumption that such fact is true.

(g) Relation to other laws and rules. The requirements of this section do not replace or supersede any existing price disclosure requirements set forth in other sections of this title or Title 20 of the Administrative Code.

Section 2. The table in section 6-47 of subchapter B of chapter 6 of Title 6 of the Rules of the City of New York is amended by adding the following row in the appropriate numerical order:

Citation	Violation Description	First Violation	First Default	Second Violation	Second Default	Third and Subsequent Violation	Third and Subsequent Default
<u>6 RCNY § 5-16</u>	<u>Failure to comply with fee disclosure requirements</u>	<u>\$525</u>	<u>\$525</u>	<u>\$1,050</u>	<u>\$1,050</u>	<u>\$3,500</u>	<u>\$3,500</u>

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Rules Regarding Junk Fees

REFERENCE NUMBER: 2026 RG 027

RULEMAKING AGENCY: Department of Consumer and Worker Protection

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Senior Counsel

Date: June 16, 2026

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Rules Regarding Junk Fees

REFERENCE NUMBER: DCWP-75

RULEMAKING AGENCY: Department of Consumer and Worker Protection

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because a cure period is not practicable under the circumstances.

/s/ Francisco X. Navarro
Mayor's Office of Operations

June 16, 2026
Date