

## 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” for hotel stays.

**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 September 22, 2025. 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: 312 214 917#
- To participate in the public hearing via videoconference, please follow the online link:
  - Meeting Link: <https://tinyurl.com/mtjvy2c9>
  - Meeting ID: 248 849 569 403 8
  - Passcode: Wb35dL2u

**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](mailto: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](mailto:Rulecomments@dcwp.nyc.gov). You can also sign up on the phone or videoconference before the hearing begins at 11:00 AM on September 22, 2025. 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 **September 22, 2025**

**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](mailto:Rulecomments@dcwp.nyc.gov). Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by September 15, 2025

**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 to add rules that prohibit charging consumers hidden "junk fees" for hotel stays. According to Consumer Reports<sup>1</sup> and the Federal Trade Commission ("FTC"),<sup>2</sup> "junk fees," commonly labeled as "destination fees," "resort fees," or "hospitality service fees," have become more prevalent in the hospitality industry over the past several years. In a practice known as "drip pricing," hotels often exclude these mandatory fees from their advertised prices, concealing the true cost of their services.

On January 10, 2025, the FTC published a final rule<sup>3</sup> regulating these junk fees. The rule requires specific businesses, including hotels, to conspicuously disclose the true total price of their goods and services, inclusive of all mandatory fees, whenever they offer, display or advertise any price of such goods or services. The rule further prohibits misleading consumers about such fees, and sets forth disclosures that the specified businesses must provide before a consumer consents to pay.

At the state level, several jurisdictions have also passed laws or issued regulations to address junk fees of this type, including California,<sup>4</sup> Massachusetts,<sup>5</sup> and Minnesota.<sup>6</sup> New York State<sup>7</sup> has similarly introduced legislation targeting this issue. Like the FTC rule, these laws and regulations are designed to ensure that consumers understand the actual total price that they will

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<sup>1</sup> See, <https://advocacy.consumerreports.org/wp-content/uploads/2023/02/CR-Comment-for-FTC-re-Junk-Fees-02-23.pdf>, last accessed 7/21/25

<sup>2</sup> See, <https://www.cnbc.com/2023/08/21/what-is-a-destination-fee-and-why-are-more-hotels-charging-them.html>, last accessed 7/21/25

<sup>3</sup> See, <https://www.federalregister.gov/documents/2025/01/10/2024-30293/trade-regulation-rule-on-unfair-or-deceptive-fees>, last accessed 7/21/25

<sup>4</sup> See, [https://calmatters.digitaldemocracy.org/bills/ca\\_202320240ab537](https://calmatters.digitaldemocracy.org/bills/ca_202320240ab537), last accessed 7/24/25

<sup>5</sup> See, <https://www.mass.gov/news/ag-campbell-releases-junk-fee-regulations-to-help-consumers-avoid-unnecessary-costs>, last accessed 7/24/25

<sup>6</sup> See, [https://www.revisor.mn.gov/bills/text.php?number=HF3438&type=bill&version=3&session=ls93&session\\_year=2024&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF3438&type=bill&version=3&session=ls93&session_year=2024&session_number=0), last accessed 7/21/25

<sup>7</sup> See, <https://www.nysenate.gov/legislation/bills/2025/S363/amendment/A>, last accessed 7/21/25

be required to pay for a good or service. This is especially important when a consumer is traveling and has limited options for lodging.

In New York City, the Department has received many complaints from consumers involving hidden, undisclosed or unexpected fees associated with hotel stays. The Department is proposing a rule, modeled on the FTC rule, that would make it a deceptive trade practice under the City's Consumer Protection Law to offer, display or advertise a price for a stay in a hotel without clearly and conspicuously disclosing the total price of that stay, including all mandatory fees. Additionally, the proposed rule would prohibit misleading consumers about the nature of any fees for a hotel stay in any such offer, display or advertisement.

Finally, the proposed rule would require that anyone advertising, offering or displaying the price of a stay in a hotel must clearly disclose any additional fees excluded from the total price, the final amount of payment, and the amount and terms of any deposit or hold associated with the hotel stay and expected duration of that deposit or hold, before a consumer consents to pay. These provisions will ensure that consumers have a complete and clear breakdown of all additional costs, beyond the advertised "total price," that are associated with a specific hotel stay. Importantly, such disclosure requirements apply from the point at which a consumer can reserve the hotel stay through when the consumer checks out of the hotel.

To protect New York City consumers while also regulating hotels within the City, this rule would apply to:

- a) any person, meaning a natural person or organization, who offers, displays or advertises the price of a stay in a hotel in New York City, and
- b) any person who offers, displays or advertises the price of a stay in a hotel to a New York City consumer.

Such application of the rule is in line with other jurisdictions, like California and Massachusetts, which mandate that their total price disclosure requirements apply to anyone advertising to consumers and otherwise doing business within their respective jurisdictions.

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 these proposed rules.

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 5-15, to read as follows:

#### **§ 5-15 Hotel Fee Disclosures.**

##### (a) Definitions.

**Hotel.** "Hotel" means a building or part of a building which is legally authorized to have guests occupy guest rooms.

**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, inclusive of any mandatory fees and charges, except taxes and fees imposed by a government, which may be excluded.

**(b) Applicability.**

This section applies to any person who offers, displays or advertises the price of a stay in a hotel in New York City, and any person who offers, displays or advertises the price of a stay in a hotel to a New York City consumer.

(c) It is a deceptive trade practice for any person to offer, display or advertise the price of a stay in a hotel without disclosing the total price in a clear and conspicuous manner. Any such offer, display, or advertisement must disclose the total price more prominently than any other pricing information, and must not misrepresent 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.

(d) Any person who offers, displays or advertises the price of a stay in a hotel must disclose the following items clearly and conspicuously, before a consumer consents to pay. This requirement applies from the point at which a consumer can reserve the hotel stay, regardless of whether they put down a deposit to secure a reservation in such hotel, through the point at which the consumer checks out of the hotel:

(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; and

(3) A disclosure regarding any hold placed on, or deposit taken from, a credit or debit card in connection with the stay at such hotel, explaining the amount of that hold or deposit, any reasons the hotel may keep part or all of the hold or deposit, and the time by which such hold or deposit shall be refunded.

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
6 RCNY § 5-15	Improper hotel fee disclosure	\$525	\$525	\$1,050	\$1,050	\$3,500	\$3,500

**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 Relating to Limitations on Hotel Fees

**REFERENCE NUMBER:** 2025 RG 046

**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: August 1, 2025

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

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

**RULE TITLE: Rules Relating to Limitations on Hotel Fees**

**REFERENCE NUMBER: DCWP-61**

**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 impracticable under the circumstances.

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

August 4, 2025  
Date