



OREGON DEPARTMENT OF JUSTICE

TO: House Committee on Commerce & Consumer Protection

FROM: Leslie Wu, Policy Advisor to Attorney General Rayfield, Oregon Department of Justice

DATE: March 11, 2025

SUBJECT: Testimony in Support of HB 3533

The Oregon Department of Justice writes in support of HB 3533, which aims to end the use of junk fees and drip pricing against Oregon consumers. The term “junk fees” broadly refers to unfair or deceptive fees that provide no value to consumers. Drip pricing refers to a sales tactic where a company advertises a low price and then reveals additional charges later in the buying process. In the online marketplace a growing number of businesses are misrepresenting the total price of goods and services using junk fees and drip pricing. The practice makes it difficult for price-sensitive consumers to accurately compare prices and make informed decisions. It also puts honest competitors at a disadvantage when a business advertises a deceptively low price even though the actual price is the same or higher than that of competitors.

The position of the Oregon Department of Justice is that drip pricing is a deceptive trade practice that violates Oregon’s Unlawful Trade Practice Act (“UTPA”). However, because there is no express prohibition in the UTPA or existing law in most states, enforcement has been challenging and has required expensive and lengthy litigation. Many companies point to other competitors engaged in drip pricing as a reason that they would be put at a disadvantage if they stopped. Undertaking industrywide investigations and securing industrywide agreements is not a practical or efficient way to address what has become a widespread practice loathed by consumers. This legislation is the right solution.

Despite enforcement challenges, DOJ in 2019 [reached a \\$4.1 million settlement with CenturyLink](#) arising out of the company’s practice of charging an “Internet Cost Recovery Fee” and a “Broadband Cost Recovery Fee” that were not included in the advertised monthly price

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and not disclosed to consumers before the first bill. DOJ also obtained a [settlement with Choice Hotels](#) that required Choice to clearly and conspicuously disclose up front the total room price, including all resort fees or other mandatory fees. The settlement was the result of a bipartisan multistate effort by attorneys general; however, no industrywide agreement was reached. As a result, several state attorneys general have filed lawsuits relating to drip pricing by hotels.

Other states have recently considered or passed bills attempting to address junk fees and drip pricing generally, subject to limited carveouts, or in specific areas, like event ticketing. The most notable legislation to date is California's [SB 478 \(2023\)](#), which makes it an unfair or deceptive practice to advertise a price that does not include all mandatory fees or charges, other than taxes and government-imposed fees. The law, which went into effect this July, contains limited exceptions for certain industries. Minnesota recently passed a similar law, [HF 3438 \(2024\)](#).

This bill, subject to technical amendment, would require companies that sell goods or services to Oregonians to advertise the actual price upfront. More specifically, the bill would state that a company “may not advertise, display or offer a price for the goods or services that does not include all fees or charges that a purchaser must pay to complete a transaction for the goods or services other than taxes or fees that a governmental body imposes on the transaction, or reasonable charges that the person actually incurs to ship the goods or provide the services to the purchaser.” This simple requirement would resemble the junk fee and drip pricing law already in effect in California. This bill would also clarify that entities subject to the Oregon innkeeper statutes are not otherwise authorized to engage in drip pricing in the hotel industry.

Passage of HB 3533 will help put an end to junk fees and drip pricing. The resulting transparency in prices will help Oregon consumers make informed decisions and set a level playing field for competitors.

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