GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2025

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NC Junk Fee Prevention Act.

Short Title:

HOUSE BILL DRH40507-MU-47

Representative Longest. Sponsors: Referred to: A BILL TO BE ENTITLED 1 2 AN ACT TO ENACT THE NORTH CAROLINA JUNK FEE PREVENTION ACT. 3 The General Assembly of North Carolina enacts: 4 **SECTION 1.** Chapter 66 of the General Statutes is amended by adding a new Article 5 to read: 6 "Article 52. 7 "North Carolina Junk Fee Prevention Act. 8 "§ 66-511. Short title. 9 This Article may be cited as the North Carolina Junk Fee Prevention Act. 10 **"§ 66-512. Definitions.** 11 Definitions. – The following definitions apply in this Article: 12 Consumer. – An individual residing or traveling in this State. (1) **(2)** Covered entity. – Either of the following: 13 A provider of short-term lodging or an entity that advertises rates or 14 a. 15 the purchase of short-term lodging. 16 Any other entity determined appropriate by the Attorney General. 17 Covered service. – Any of the following: (3) 18 Internet service. a. 19 b. Voice service (as defined in section 227(e)(8) of the Communications Act of 1934 (47 U.S.C. § 227(e)(8))). 20 21 Commercial mobile service (as defined in section 332(d) of the <u>c.</u> Communications Act of 1934 (47 U.S.C. § 332(d))). 22 23 Commercial mobile data service (as defined in section 6001 of the d. Middle Class Tax Relief and Job Creation Act of 2012 (47 U.S.C. § 24 25 1401)). A service provided by a multichannel video programming distributor 26 <u>e.</u> (as defined in section 602 of the Communications Act of 1934 (47 27 28 U.S.C. § 522)), to the extent that the distributor is acting as a multichannel video programming distributor. 29 Any other service offered or provided as part of a bundle or package 30 <u>f.</u> 31 with any service described in sub-subdivisions a. through e. of this subdivision. 32 33 Mandatory fee. – Includes any of the following: (4) 34 Any fee or surcharge that a consumer is required to pay to purchase a a. good or service being advertised. 35 A fee or surcharge that is not reasonably avoidable. 36 <u>b.</u>



- c. A fee or surcharge for a good or service that a reasonable consumer would not expect to be included with the purchase of the good or service being advertised.
- <u>d.</u> Any other fee or surcharge determined appropriate by the Attorney General.
- (5) Short-term lodging. Any lodging that is offered for an occupancy of less than six months.

"§ 66-513. Requirements for covered entities.

- (a) Hidden Fees. A covered entity shall clearly and conspicuously display, in each advertisement and whenever a price is first shown to a consumer, the total price of the good or service provided by the covered entity, including any mandatory fees a consumer would incur during the transaction; the amount of these fees shall not increase during the purchase process.
- (b) Excessive or Deceptive Fees. A covered entity shall not impose on a consumer or advertise any mandatory fees that are excessive or deceptive for any good or service offered by the covered entity.
- (c) Protecting Refunds. A covered entity shall clearly and conspicuously disclose any guarantee or refund policy prior to the completion of a transaction by a consumer and, in the event of a refund, shall provide a refund in the amount of the total cost of the ticket, including any mandatory fees.

"§ 66-514. Requirements for covered services.

A provider of a covered service shall not charge a fee for, or impose a requirement that is excessive or unreasonable on, a consumer for the early termination of a covered service. This section does not prevent a provider of a covered service from charging a consumer for either of the following:

- (1) The cost of rental or loan equipment that is not returned to the provider within a reasonable period of time.
- (2) The outstanding cost of a purchased device.

"§ 66-515. Rulemaking; enforcement.

- (a) The Attorney General may adopt rules to implement this Article.
- (b) The Attorney General may assess a civil penalty against a person that violates this Article, not to exceed five thousand dollars (\$5,000) for each violation. The clear proceeds of civil penalties imposed pursuant to this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. The Attorney General may also take other appropriate enforcement action, including ordering a person to cease and desist from violating this Article.
- (c) <u>In determining whether a fee is excessive under G.S. 66-513(b), the Attorney General shall consider all of the following factors:</u>
 - (1) Whether the fee is reasonable and proportional to the cost of the good or service provided by the covered entity.
 - (2) The reason for which the covered entity charges the fee.
 - (3) Any other factor determined appropriate by the Attorney General.
 - (d) A violation of this Article is an unfair or deceptive trade practice under G.S. 75-1.1." **SECTION 2.** G.S. 75-44 reads as rewritten:

"§ 75-44. Ticket price transparency.

- (a) As used in this section the following definitions apply:
 - (1) Entertainment event. A sporting game or contest, concert, or other entertainment performance with a live presentation element in this State for which attendance is available to the public through the purchase of ticket.
 - (2) Mandatory fee. Any fee or surcharge that a consumer must pay in order to purchase a ticket to an entertainment event.

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- At any time the price of the ticket is displayed to the purchaser, the listing
 - shall clearly and conspicuously disclose the total price of the ticket, including all mandatory fees and the maximum order processing fee, if any.

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- The total price of the ticket initially displayed at the beginning of a ticketing session shall not be increased during that ticketing session, except by the addition of the charges permitted under subdivision (4) of this subsection.
- The listing shall clearly and conspicuously disclose to the consumer the existence and actual dollar amount of each mandatory fee, if any, prior to the completion of the transaction. The descriptor used to identify each mandatory fee shall not be deceptive or misleading.
- (4) The following charges are not mandatory fees and may be added to the ticket price and shall be disclosed to the purchaser prior to purchase of the ticket:
 - Actual charges required to deliver a non-electronic ticket to the address specified by the purchaser by the delivery method designated by the purchaser.
 - Taxes or fees imposed on the transaction by any government. b.
 - A reasonable fee for processing the order. In no event shall the order c. processing fee exceed the charge that the secondary ticket exchange, ticket issuer, or reseller pays to a payment card entity to facilitate or process the payment.
- Not less than 72 hours prior to the first public sale or presale of a ticket, the (5) secondary ticket exchange, ticket issuer, or reseller shall clearly and conspicuously disclose to the public, including at the point of sale, the total number of tickets offered for sale by it for the given event.
- If the secondary ticket exchange, ticket issuer, or reseller does not possess a (6) ticket at the time of the sale, it shall provide to the consumer both of the following:
 - A clear and conspicuous notice that the secondary ticket exchange, <u>a.</u> ticket issuer, or reseller does not possess the ticket.
 - A full refund if the secondary ticket exchange, ticket issuer, or reseller <u>b.</u> cannot provide the ticket advertised to the consumer in a timely manner prior to the event.

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(c) A violation of this section is an unfair trade practice under G.S. 75-1.1 and is subject to all of the investigative, enforcement, and penalty provisions of an unfair trade practice under this Article."

SECTION 3. G.S. 14-344 is repealed.

SECTION 4. This act becomes effective October 1, 2025.

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