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Testimony of Representative Amy Roeder presenting

LD 414, An Act to Prohibit Deceptive Pricing

Before the Joint Standing Committee on Housing and Economic Development

Good afternoon, Senator Curry, Representative Gere and esteemed members of the Joint Standing Committee on Housing and Economic Development. My name is Amy Roeder, and I represent House District 23, which includes a portion of the great City of Bangor.

Today, I present to you **LD 414, An Act to Prohibit Deceptive Pricing**.

This bill requires sellers to disclose all essential fees as part of the upfront price. It does not require disclosure of state or local taxes or delivery fees as part of the final price. It's similar not only to the federal rules, but also the actions taken by a number of states including California, Minnesota and New York. Connecticut, Massachusetts and Rhode Island are considering similar measures.

Right now, too many Mainers are forced into paying hidden fees that are necessary to buy a product but aren't disclosed up front. In December, the Federal Trade Commission issued a federal rule to ban these "junk fees" nationwide for event tickets and short-term lodging, as well as a separate rule for car dealers in 2023. However, these rules are subject to court challenges, Congressional review and other actions that put them at risk. The recent shuttering of the Consumer Financial Protection Bureau, which regulates junk fees for banks, is an example of this kind of rollback.

By one estimate, junk fees of all kinds, including some not regulated by this bill, cost the average household \$650 a year. Enshrining similar protections in state law, as several other states have done, would make sure Mainers get to benefit from these consumer protections. Some of the most egregious users of junk fees, sometimes also called "drip pricing," include: concerts and other live events (which often charge booking fees), hotels and other short-term rentals like

Airbnb (which add on resort fees and cleaning fees on top of the advertised price) and food delivery apps (which include service fees on top of per-mile delivery fees).

Transparent pricing allows consumers to make better choices and levels the playing field for businesses. Further, it prevents companies from taking advantage of consumers. Since this law is intended only to apply to fees that are mandatory and not optional, it should not be an administrative burden for businesses. If a concert venue is going to charge a booking fee for each ticket, there's no extra math needed for each ticket sold. Ultimately, companies use these fees and "drip pricing" strategies because they work for them, not consumers.

Thank you for your consideration. I am happy to answer any questions you may have.