119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–71

HOTEL FEES TRANSPARENCY ACT OF 2025

APRIL 24, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GUTHRIE, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 1479]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 1479) to prohibit unfair and deceptive advertising of prices for hotel rooms and other places of short-term lodging, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 1479, the Hotel Fees Transparency Act of 2025 was introduced by Representative Kim on February 21, 2025, and referred to the Committee on Energy and Commerce. H.R. 1479 prohibits a covered provider of a place of short-term lodging from advertising, displaying, marketing, or otherwise offering for sale a price of a

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reservation for a place of short-term lodging that does not include each mandatory fee. Provisions would include short-term lodging advertised, displayed, marketed, or otherwise offered for sale through direct offerings, third party distribution, and metasearch referrals.

BACKGROUND AND NEED FOR LEGISLATION

Hidden fees, such as resort fees charged at the time of check out and often not disclosed at the time of booking, harm consumers, especially those on tight budgets. Such fees are a way of increasing revenue by hiding from consumers the real price they will pay to stay at a hotel or other place of short-term lodging.[1]

Hidden fees make it impossible for consumers to compare prices and make informed purchasing decisions. Such fees can be substantial, and they are often levied after the hotel stay has ended. One expert, Jeff Galak, a professor of marketing at Carnegie Mellon University's Tepper School of Business, explained that "[b]y the time the fee is tacked on, it's too late . . . . It's either actually too late, like 'I'm standing at the hotel check-in desk, I don't have a choice anymore.' Or it's apparently too late."[2]

Prices for hotel rooms and other places of short-term lodging are advertised on the providers' own websites and are also typically marketed across a wide variety of internet platforms and mobile applications. To ensure that consumers receive accurate information about any fees that will be charged in connection with a stay at a covered provider, regardless of the platform a consumer uses to compare prices or make reservations, H.R. 1479 applies to "direct offerings, third party distribution, or metasearch referrals." Thus, to be in compliance with H.R. 1479, providers must make available all mandatory fee information to any internet website or other third party that the provider has allowed to advertise, market, display or otherwise offer the short-term lodging for sale. By ensuring consumers have information about all mandatory fees, H.R. 1479 will enhance the price transparency of the hotel and lodging industry for the benefit of consumers.

COMMITTEE ACTION

On September 27, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on draft legislation that would become The Hotel Fees Transparency Act. The title of the hearing was "Proposals to Enhance Product Safety and Transparency for Americans." The Subcommittee received testimony from:

- Kathleen Callahan, Owner, Xpertech Auto Repair;
- Scott Benavidez, Chairman, Automotive Service Association;
- Steven Michael Gentine, Counsel, Arnold & Porter, LLP;
- John Breyault, Vice President of Public Policy, Telecommunications and Fraud, National Consumers League; and

[1] Sam Kemmis, How not to get soaked by "drip pricing" by airlines and hotels when booking your vacation. CBS News Moneywatch. (June 2022), https://www.cbsnews.com/news/travel-fees-how-to-avoid/.

[2] Stacey Vanek Smith, Fees added to bills are costing consumers billions. Now, regulators are cracking down, NPR Transcript (July 2023), https://www.npr.org/2023/07/25/1190081421/fees-added-to-bills-are-costing-consumers-billions-now-regulators-are-cracking-d.

- David Touhey, Principal, Connett Consulting, appearing on behalf of International Association of Venue Managers.

On April 8, 2025, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 1479, without amendment, favorably reported to the House by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 1479 reported.

OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held a hearing and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 1479 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, at the time this report was filed, the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to require the display of total cost for short term lodging, inclusive of additional fees, at the time of display through direct offerings, third-party distribution, or metasearch referrals in business to business and consumer to business transactions.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 1479 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following related hearing was used to develop or consider the Hotel Fees Transparency Act:

- On September 27, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on draft legislation that would become the Hotel Fees Transparency Act. The title of the hearing was “Proposals to Enhance Product Safety and Transparency for Americans.” The Subcommittee received testimony from:
  - Kathleen Callahan, Owner, Xpertech Auto Repair;
  - Scott Benavidez, Chairman, Automotive Service Association;
  - Steven Michael Gentine, Counsel, Arnold & Porter, LLP;
  - John Breyault, Vice President of Public Policy, Telecommunications and Fraud, National Consumers League; and
  - David Touhey, Principal, Connett Consulting, appearing on behalf of International Association of Venue Managers.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the estimate was not available.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 1479 contains no earmarks, limited tax benefits, or limited tariff benefits.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides that the Act maybe cited as the “Hotel Fees Transparency Act of 2025”.

Section 2. Prohibition on unfair and deceptive advertising of hotel rooms and other short-term rental prices

This section prohibits a covered entity from displaying, advertising, marketing, or offering in interstate commerce, a price for covered services that does not clearly and prominently (A) display the total services price; (B) disclose the total services price at the time it is first displayed to the individual and anytime throughout the purchasing process; and (C) disclose any tax or fee imposed by the government prior to the final purchase.

Subsection (a)(2) provides that a covered entity is not prohibited from displaying individual components of the total price or additional details of other items not required by this Act, provided that such displays are less prominent than the required total services price.

Subsection (a)(3) provides that nothing in this section shall be construed to prohibit any covered entity from entering into a contract with another covered entity that contains an indemnification provision regarding price or fee information that is shared between the covered entities that are parties to the contract.

Subsection (b)(1) provides that a violation of subsection (a) will be treated as a violation of a rule defining an unfair or deceptive act or practice under the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

Subsection (b)(2) provides for State enforcement of subsection (a) through State attorneys general. Attorneys general who wish to bring a case must inform the Commission prior to bringing civil action. If they are unable to notify the Commission prior to the action, they must notify immediately upon bringing the civil action. The Commission may intervene in any civil action brought by the attorney general of a State and file petitions for appeal. Nothing in this section may be construed to prevent State attorneys general from exercising other powers conferred upon them by the laws of a State to conduct investigations, administer oaths or affirmations, or compel the attendance of witnesses or the production of evidence. Where a civil action has been instituted by or on behalf of the Commission, no attorney general may institute an action against any defendant in the complaint. Any action brought under subparagraph (a) may be brought in a United States district court or another competent court of jurisdiction. Actions brought under subparagraph (a) may be served in any district where the defendant is an inhabitant, is found, or transacts business; or the venue is proper under section 1391 of title 28, United States Code. Authorized State officers other than attorneys general may bring a civil action under subparagraph (a), subject to the same requirements under this paragraph. Nothing in this paragraph may be construed to prohibit an authorized State official from initiating or continuing State court proceedings for violations of a State's civil or criminal law.

Subsection (b)(3) provides that in any action pursuant to this Act, an intermediary or third-party online sellers may assert an affirmative defense if such entity (A) established procedures to receive up-to-date price information from hotels or short-term rentals; (B) relied on good faith on information provided to the entity by a hotel or short-term rental and such information was inaccurate at the time it was provided; and (C) took prompt action to correct any false or inaccurate information after receiving notice that such information was inaccurate.

Subsection (c) prohibits States (and their political subdivisions) from enforcing any provision having the force and effect of law that prohibits a covered entity from advertising or displaying or affects the manner in which a covered entity advertises or displays a price that does not include each mandatory fee. This section may not be construed to preempt any State law relating to contracts or torts, or any State law that related to fraud.

Subsection (d) defines key terms in this Act. "Base service price" means the price to obtain the covered service of the hotel or short-term rental, not including service fees or taxes. "Commission" means the Federal Trade Commission. "Covered entity" means a person or partnership that the Commission has jurisdiction, including hotels, third-party online sellers, or an intermediary. "Covered services" means the temporary provision of a room, building, or other lodging facility and does not include the provision of meeting rooms, banquet services, or catering services. "Hotel" means an establishment that provides a covered service and promotes such service. "Intermediary" means an entity that operates as either business-facing or consumer-facing, or both and displays a price for covered entities or a price comparison service for covered services. "Optional product or service" means a product or service that an individual does not need to purchase for use of covered services. "Service fee" means a charge from a covered entity necessary for covered services and does not include any government taxes or fees or any optional fees. "Short-term rental" means a property that provides covered services to the general public for a fee, for a period shorter than 30 consecutive days, and promotes the service. "State" means each of the 50 States, the District of Columbia, and any territory of the United States. "Third-party online seller" means any person other than a hotel or short-term rental that sells covered services with respect to a hotel in a transaction on the internet. "Total services price" means the total cost of covered services, including the base service price and any service fees, and does not include any government taxes or tees or optional fees.

Subsection (e) sets the effective date of this Act as 450 days following enactment.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

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