

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40382-MU-31

Short Title: NC Junk Fee Prevention Act. (Public)

Sponsors: Representative Longest.

Referred to:

1 A BILL TO BE ENTITLED
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 51.

7 "North Carolina Junk Fee Prevention Act.

8 "**§ 66-501. Short title.**

9 This Article may be cited as the North Carolina Junk Fee Prevention Act.

10 "**§ 66-502. Definitions.**

11 Definitions. – The following definitions apply in this Article:

12 (1) Consumer. – An individual residing or traveling in this State.

13 (2) Covered entity. – Any of the following:

14 a. A provider of short-term lodging or an entity that advertises rates or
15 the purchase of short-term lodging.

16 b. A provider of a ticketing service that sells tickets for an event or retains
17 the authority to otherwise distribute tickets for an event, whether as a
18 primary seller of tickets or in the secondary marketplace for ticket
19 sales.

20 c. Any other entity determined appropriate by the Attorney General.

21 (3) Covered service. – Any of the following:

22 a. Internet service.

23 b. Voice service (as defined in section 227(e)(8) of the Communications
24 Act of 1934 (47 U.S.C. § 227(e)(8)).

25 c. Commercial mobile service (as defined in section 332(d) of the
26 Communications Act of 1934 (47 U.S.C. § 332(d)).

27 d. Commercial mobile data service (as defined in section 6001 of the
28 Middle Class Tax Relief and Job Creation Act of 2012 (47 U.S.C. §
29 1401)).

30 e. A service provided by a multichannel video programming distributor
31 (as defined in section 602 of the Communications Act of 1934 (47
32 U.S.C. § 522)), to the extent that the distributor is acting as a
33 multichannel video programming distributor.

34 f. Any other service offered or provided as part of a bundle or package
35 with any service described in sub-subdivisions a. through e. of this
36 subdivision.



- 1 (4) Mandatory fee. – Includes any of the following:
2 a. Any fee or surcharge that a consumer is required to pay to purchase a
3 good or service being advertised.
4 b. A fee or surcharge that is not reasonably avoidable.
5 c. A fee or surcharge for a good or service that a reasonable consumer
6 would not expect to be included with the purchase of the good or
7 service being advertised.
8 d. Any other fee or surcharge determined appropriate by the Attorney
9 General.
10 (5) Short-term lodging. – Any lodging that is offered for an occupancy of less
11 than six months.

12 **"§ 66-503. Requirements for covered entities.**

13 (a) Hidden Fees. – A covered entity shall clearly and conspicuously display, in each
14 advertisement and whenever a price is first shown to a consumer, the total price of the good or
15 service provided by the covered entity, including any mandatory fees a consumer would incur
16 during the transaction; the amount of these fees shall not increase during the purchase process.

17 (b) Excessive or Deceptive Fees. – A covered entity shall not impose on a consumer or
18 advertise any mandatory fees that are excessive or deceptive for any good or service offered by
19 the covered entity.

20 (c) Ticket Holdbacks. – If a good or service provided by a covered entity is a ticket to a
21 sporting event, theater, musical performance, or an event at a place of public amusement of any
22 kind, the covered entity shall, not less than 72 hours prior to the first public sale or presale of the
23 ticket to a consumer, clearly and conspicuously disclose to the public, including at the point of
24 sale, the total number of tickets offered for sale by the covered entity or available for the given
25 event.

26 (d) Protecting Refunds. – A covered entity shall clearly and conspicuously disclose any
27 guarantee or refund policy prior to the completion of a transaction by a consumer and, in the
28 event of a refund, shall provide a refund in the amount of the total cost of the ticket, including
29 any mandatory fees.

30 (e) Speculative Ticketing. – If a covered entity does not possess a ticket at the time of the
31 sale, it shall provide to a consumer both of the following:

- 32 (1) A clear and conspicuous notice that the covered entity does not possess the
33 ticket.
34 (2) A full refund if the covered entity cannot provide the ticket advertised to the
35 consumer in a timely manner prior to the event.

36 **"§ 66-504. Requirements for covered services.**

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

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

44 **"§ 66-505. Rulemaking; enforcement.**

45 (a) The Attorney General may adopt rules to implement this Article.

46 (b) The Attorney General may assess a civil penalty against a person that violates this
47 Article, not to exceed five thousand dollars (\$5,000) for each violation. The clear proceeds of
48 civil penalties imposed pursuant to this subsection shall be remitted to the Civil Penalty and
49 Forfeiture Fund in accordance with G.S. 115C-457.2. The Attorney General may also take other
50 appropriate enforcement action, including ordering a person to cease and desist from violating
51 this Article.

1 (c) In determining whether a fee is excessive under G.S. 66-503(b), the Attorney General
2 shall consider all of the following factors:
3 (1) Whether the fee is reasonable and proportional to the cost of the good or
4 service provided by the covered entity.
5 (2) The reason for which the covered entity charges the fee.
6 (3) Any other factor determined appropriate by the Attorney General.
7 (d) A violation of this Article is an unfair or deceptive trade practice under Chapter 75 of
8 the General Statutes."

9 **SECTION 2.** This act becomes effective October 1, 2023.