



May 13, 2024

The Honorable Robert Martwick  
Chair  
Senate Judiciary Committee  
Stratton Office Building  
Section C, Room B  
Springfield, IL

**RE: Oppose HB 4629: The Junk Fee Ban Act**

Dear Senator Martwick and members of the Committee:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to **oppose HB 4629 based on its current drafting**. While we support efforts to eliminate deceptive fees and manipulative pricing in certain industries, HB 4629 could unfortunately have the effect of eliminating many consumer-friendly pricing options in other industries.

We agree that deceptive fees in industries with predictable fees, like hotels and primary event ticketing, should be addressed. Inconsistent prices and a lack of transparency make it more difficult for consumers to do "apples to apples" comparisons between competing services and hinder fair competition. Implementing all-in price requirements in these industries would protect competition and avoid punishing companies who voluntarily adopt transparent pricing strategies.

Unfortunately, the bill as drafted doesn't reflect the complexity of some three-sided online marketplaces, like many app-based services, that have a fundamentally different structure.

**HB 4629 could limit consumers' ability to make price comparisons in three-sided marketplaces.** In three-sided online marketplaces - including many food delivery and lodging platforms - independent sellers offer and set the prices for their goods and services. The market operator connects the independent sellers with customers, and may offer additional services like delivery, safety checks, or identity verification. In these marketplaces, the total cost a customer pays reflects separate inputs: the prices set by the independent sellers and the prices set by the market operators for their services.

By requiring food delivery platforms to display the total price for each item, this bill could require platforms to combine pricing of separate services into a single price. As a result, consumers would have less pricing information.

**Additionally, the bill risks punishing lodging platforms for the hotel industry's lack of transparency.** In the transient accommodation industry, many hotels and resorts advertise available rooms on online lodging rental or home sharing platforms. Hotels and resorts, like homeowners renting out their homes, are responsible for the list price and any applicable fees. Including hotel and resort rooms on the same platforms as short term home rentals enables consumers to compare all of their options and reduces search time.

However, under HB 4629, the platforms could be held liable if the hotel or resort failed to incorporate all resort fees or applicable taxes into the price they post on the platform. This concern could be addressed by including a safe-harbor provision for three-sided marketplaces and platforms that do not independently set prices for transient accommodation.

We support efforts to crack down on industries that deceive customers and use manipulative pricing tactics. However, applying one rule to industries with different market structures could end up harming consumers. For food delivery services and lodging platforms, the rule could undermine consumer-friendly features. Unless these differences can be addressed during the drafting stage, we urge you to **oppose HB 4629**.

Sincerely,



Kouri Marshall  
Director of State & Local Public Policy, Central US