

H.R. 4489 : Hotel Advertising Transparency Act of 2019

Section-by-Section

Section 1: Short Title

States that the shortened title of the bill is the “Hotel Advertising Transparency Act”

Section 2: Findings

Hotels and other places of short-term lodging often advertise a price that does not disclose any additional mandatory fees, such as “resort fees”, “cleaning fees”, or “facility fees”, that are only disclosed and added to the advertised total later in the buying process. The number of places that charge such fees continues to rise. This practice is unfair and deceptive to consumers.

The Federal Trade Commission (FTC) has the oversight authority to regulate unfair or deceptive acts or practices that impact commerce. In 2012 and 2013, the FTC sent warning [letters](#) to 35 hotel operators and 11 online travel agents. In those letters, the FTC cautioned hotel operators and online travel agents that mandatory resort fees could confuse customers.




In 2017, an economist at the FTC published an [issue paper](#) that found requiring consumers to click through additional webpages to see a hotel’s resort fee increases the time spent searching and learning the hotel’s true price.

Section 3: Prohibition on unfair and deceptive advertising of hotel room rates

This section states that hotels, motels, short-term rentals, online travel agents, and other places of short-term lodging, along with anyone else that the FTC has regulation and oversight authority over cannot advertise a price that does not include all mandatory fees except those charged by governments (taxes).

Example: A room at the hotel shown to the right includes a daily \$33.34 “Urban Resort Fee.” The advertised price to consumers when they first see this hotel in their search is \$249.00.

This bill would require the \$33.34 “Urban Resort Fee” to be included in the advertised price. When consumers look at accommodation options for their next trip, the price will show \$282.34 regardless of whether the consumer is searching for the advertised price directly through the hotel’s website or through an online travel agent.

Superior King	\$249.00
Best Flexible Daily Rate	
1 NIGHT 	
Taxes and Fees	\$70.57
DETAILS 	
Urban resort Fee	\$33.34
DC City Hotel Tax	\$37.23
EDIT REMOVE	
 ADD A ROOM	

Total: \$319.57
(USD tax included)

Any entity violating this change will be in breach of Chapter 5 of the Federal Trade Commission Act. The FTC along with State Attorneys General will have the ability to enforce this statute.

Additionally, State AGs and other authorized state officials would be allowed to bring civil lawsuits on behalf of the residents in their respective states once they notify the FTC of their intent.

In July, Attorneys General for the [District of Columbia](#) and the state of [Nebraska](#) filed lawsuits against [Marriott International](#) and [Hilton Worldwide](#), respectively, for hiding the true price of hotel rooms from consumers and charging hidden resort fees to increase profits. This bill does not change anything regarding these lawsuits.

This bill clarifies terminology used in the bill by defining “places of short-term lodging” as a hotel, motel, inn, or other place of lodging that advertises at a rate that is a nightly, hourly, or weekly rate; and ensures that the term “states” applies to all territories of the United States, the District of Columbia and Puerto Rico.