



Legal Services Advocacy Project

March 12, 2024

The Honorable Matt D. Klein  
Chair, Commerce and Consumer Protection Committee  
Minnesota Senate  
2105 Minnesota Senate Building  
St. Paul, MN 55155

The Honorable Gary Dahms  
Ranking Minority Leader, Commerce and Consumer Protection Committee  
Minnesota Senate  
2219 Minnesota Senate Building  
St. Paul, MN 55155

Re: SF 3537 – Disclosure of Mandatory Fees

Dear Chair Klein, Ranking Minority Leader Dahms, and Members of the Commerce & Consumer Protection Committee:

Legal Aid writes in support of SF 3537, which makes it a deceptive practice to fail to disclose mandatory fees in advertising, displays, and price offerings. Legal Aid provides civil legal services to low-income Minnesotans, Minnesotans with disabilities, and elder Minnesotans, statewide, to help them meet their basic needs.

As one commentator correctly noted, “[a] some point, every consumer has bought something and then found themselves surprised by the hidden fees and countless documents that must be signed as part of the purchase.”<sup>1</sup> The Federal Trade Commission concludes that hidden fees “harm consumers and undercut honest businesses” and “can cost consumers tens of billions of dollars per year in unexpected costs.”<sup>2</sup>

HF 3438 would enhance consumer protection by simply and appropriately requiring transparency to ensure that consumers very clearly understand what the true cost of a product or service is as they decide whether to proceed with a purchase. Thank you for your consideration.

Sincerely,

Ron Elwood  
Supervising Attorney

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<sup>1</sup> Ethan E. Schroeder, *All Aboard? Missouri Statute Risks Failing to Protect Consumers from Hidden Fees and Deceptive Practices of Prominent Companies Mckeage v. Tmbc, LLC*, 847 F.3d 992 (8th Cir. 2017), 88 Mo. L. Rev. 273 (2023).

<sup>2</sup> Federal Trade Commission, *FTC Proposes Rule to Ban Junk Fees Proposed rule would prohibit hidden and falsely advertised fees*, October 11, 2023; <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-proposes-rule-ban-junk-fees>.