

Junk Fees Regulations

Tips for Restaurants

What?

The Attorney General's Office recently issued a new set of regulations which prevent businesses from using hidden fees called "junk fees" when displaying prices.

These regulations prohibit the use of junk fees and – most important for restaurants – require restaurants to clearly provide customers the total price of food, including fees, on menus and bills.

The total price is the maximum amount that the consumer is required to pay.

When Will These Regulations be Enforced?

These new regulations go into effect on September 2, 2025.

After that date, these regulations may be enforced by the Attorney General in the same manner as other violations of the Consumer Protection Law, found in General Laws chapter 93A. Pursuant to chapter 93A, there is also a private right of action, which means that individual consumers can file a lawsuit to pursue their rights.

Why?

These new regulations aim to increase price transparency.

This increased transparency ensures that customers understand the cost of products before they make the choice to purchase them. It also helps preserve an equal playing field for businesses.

How Can You Comply?

To ensure compliance, restaurants should stick to the following guidelines:

- 1) All fees must be incorporated into the total price of a product wherever prices are displayed on menus and bills
- 2) Mandatory service charges for waitstaff serving large parties are permitted; make sure to clearly display the amount and conditions of the charge (e.g., 18% tip added to parties of 6 or more) on the menu
- 3) Taxes do not have to be included in menu prices, but must still be disclosed on the bill
- 4) Restaurants can advertise discounts during certain times of day without stating a new menu price
- 5) Food delivery services which depend on restaurant prices to calculate delivery fees may advertise menu prices as total price, but must also clearly display the maximum mandatory delivery fee

Read 940 CMR 38 here!



Read the guidance for
940 CMR 38 here!

