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Health and Government Operations  
Committee

*Chair*

Government Operations and Estates  
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Joint Committee on Administrative,  
Executive, and Legislative Review



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Testimony of Delegate Samuel I. Rosenberg  
Before the House Economic Matters Committee In Support Of  
**House Bill 101**  
**Gas Price Clarity Act**

Mister Chair and Members of the Committee:

How many times have you driven by a gas price advertised on a prominent service station display, only to find that the price is five to ten cents higher when you pull up to the pump? Marylanders across the state share in this daily disappointment. In fact, every year the Office of the Attorney General receives numerous complaints about this practice from all over the state.

Because payment networks such as Visa and MasterCard charge merchants a fee for every credit card transaction, gas station operators pass this cost onto consumers in the form of a surcharge. That means that cash buyers generally pay a lower price for gasoline. This arrangement, in and of itself, is not an issue.

The problem arises, however, when gas stations advertise their cash price but not the higher credit price. In other instances, the cash price is shown on a large illuminated display, while the credit price is relegated to a small sign on the ground. With credits cards comprising a substantial portion of gas station purchases, this misleading practice demands legislative attention. Ten states and New York City have already taken action on this issue.

Under current law, only the lowest price must be stated. That means that a gas station operator **must** display the cash price, while leaving within the owner's discretion the option of also displaying the credit price. This is counterintuitive and leads to consumer confusion.

House Bill 101 offers a simple solution to this problem. Instead of merely advertising the lowest price, this bill would require gas stations to display either (1) their highest price, or (2) their cash price and credit price. Furthermore, HB 101 directs these prices to be displayed "clearly and visibly."

Attorney General Brian Frosh has said, "The price displayed to the public should be the price most consumers will pay, not the price available only to a small minority of consumers. Price transparency will help inform consumers of the actual price before pulling into the station."

We should join other states like New Jersey, Massachusetts, and Michigan to protect our citizens from this "bait and switch" tactic.

I urge the committee to give HB 101 a favorable report.

February 13, 2020