

CHERYL C. KAGAN
Legislative District 17
Montgomery County

Vice Chair
Education, Health, and
Environmental Affairs Committee

Joint Audit Committee
Joint Committee on Federal Relations



Miller Senate Office Building
11 Bladen Street, Suite 2 West
Annapolis, Maryland 21401
301-858-3134 · 410-841-3134
800-492-7122 Ext. 3134
Fax 301-858-3665 · 410-841-3665
Cheryl.Kagan@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB220: Gas Price Gouging Act
Finance Committee
Hearing: February 6, 2020, 1:00 PM

Some gas stations post only their lowest (cash) price while posting credit card prices on smaller, unilluminated signs. Consumers are likely to be deceived about the price they will pay until they pull up to the pump. In 2018, 80% of Americans preferred to purchase gasoline by credit or debit card and the average consumer spent over \$2,000 to fuel their cars last year.

Ten states and New York City have taken action on this issue. Maryland should protect consumers by passing SB220, which would require gas stations to post **either** the highest or both prices in equal size. Many Maryland stations already comply with this practice. Discounts and special pricing may still be offered within this requirement.

In endorsing the bill, Attorney General Brian Frosh 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."

Opponents may argue that this bill would place an undue burden on local "mom and pop" gas station owners with additional signage requirements. Under current law, (page 3, lines 12-14), "If a new or additional sign is required to comply with this subsection, **the supplier of the gasoline shall provide the sign and numerals without cost to the retail service station dealer.**"

I urge the Committee to report SB220 favorably.

Attachment: PowerPoint presentation

Gas Price Gouging

Ending “Bait & Switch” at Maryland Gas Stations

SB220/HB101

Gasoline Consumers

- 80% prefer to use credit or debit cards rather than cash.

This will protect consumers by requiring either the highest price OR both the cash and credit prices.

One Price for Every Customer



“Bad Guy”

Only 20% of consumers will pay this price.

Most will pay \$0.06 more per gallon.



“Bad Guy”

Distracting graphic draws the eye away from ‘CASH.’

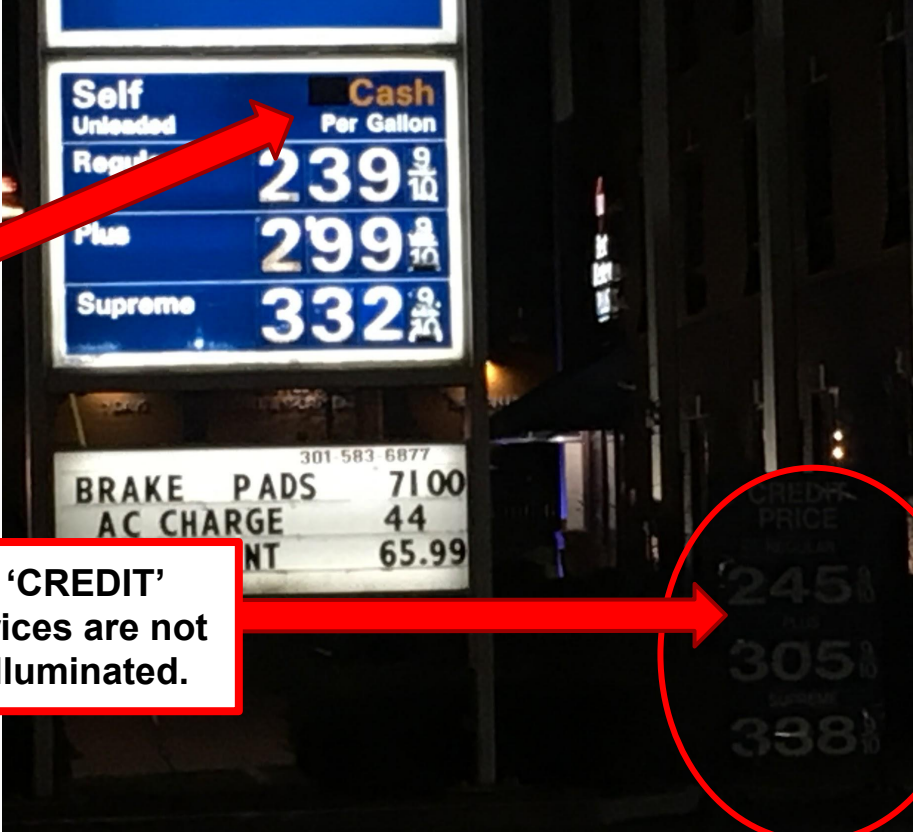
The word ‘CREDIT’ is barely visible, and the sign is hidden by the car.



Getting Gas at Night? Credit/debit prices are even less visible.



Lower cash prices are clearly visible, but 'CASH' is hard to see.



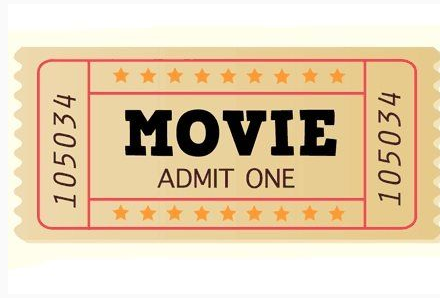
'CREDIT' prices are not illuminated.

From the Attorney General's Office:

“... Commercial Law Article 13-301 (3), which provides that it is an ‘unfair or deceptive trade practice to [fail] to state a material fact if the failure deceives or tends to deceive.’ **A statement that regular gas is sold at a certain price is misleading if that is not always the price.**”

June 15, 2018

No other products have cash & credit prices!



10 states and NYC have enacted laws to protect consumers from gas station “bait & switch.”

LA ('90), SD ('92), MN ('94), GA ('10), DE ('10), CT ('11), MI ('12), NJ ('12), MA ('13), NYC ('13), CA ('17)

Gasoline suppliers (NOT gas station owners!) would pay for new signs.

(CURRENT LAW shown on Page 3, lines 12-14)

“If a new or additional sign is required to comply with this subsection, the supplier of the gasoline shall provide the sign and numerals without cost to the retail service station dealer.