



Testimony to the House Economic Matters Committee
HB 775: Public Safety-Emergency Management-
Consumer Protection Against Price Gouging
Position: Favorable

February 22, 2023

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing in support of HB 775 and urge a favorable report.

During the COVID-19 pandemic, our direct service programs received hundreds of calls from low-income and working families who were struggling financially due to layoffs, reduced work-hours, furloughs, and other costs associated with the pandemic. Many were also grappling with the high costs of certain products, services, and commodities that were subject to price-gouging during the pandemic including face masks, PPE, sanitizers, toilet paper and food items. These costs created undue hardship for families that were already struggling financially and psychologically in the midst of an unprecedented crisis.

Unlike 31 other states, Maryland does not have a price-gouging law. The Attorney General's temporary authority to address price-gouging has expired but the need for permanent authority to address these issues during emergencies remains.

HB 775 would establish a price-gouging law for Maryland while establishing its use only under a State of Emergency. HB 775 would prohibit sales of essential goods and services to be marked up more than 10% above what they cost prior to the State of Emergency. HB 775 would extend to both



retailers and wholesalers and any business and would also include repair or reconstruction services after a state of emergency.

HB 775 establishes exceptions to the 10% cap and makes a violation of the legislation a violation of the Maryland Consumer Protection Act.

HB 775 is narrowly tailored and balances critical consumer protection during a State of Emergency with clarity and exceptions for businesses. It is time for Maryland to join 31 other states in providing recourse and redress related to price-gouging during a State of Emergency.

For all these reasons, we support HB 775 and urge a favorable report.

Best,

Marceline White
Executive Director