



## THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

### SB651 Clearer Gas Price Signage

Senate Finance Committee: February 29, 2024, 1:00 PM

Imagine seeing an enticing price on a gas station sign and pulling up to the pump. As you insert your credit card, however, you are shocked to see the credit or debit price that is 5, 10, or even 25 cents per gallon higher. You wouldn't be alone in your disappointment. 63% of drivers rely on the price sign when choosing a gas station, and 59% say that cost is the most important factor in their decision.<sup>1</sup> Moreover, roughly 90% of gas purchasers in Maryland pay for fuel using a credit or debit card.<sup>2</sup>

The disparity between the advertised price and the actual cost impairs consumers' ability to make a sound financial choice. This bill will result in greater clarity in gas price signage.

Current law only requires the display of the lowest gas price, which is either the cash amount or the price with a car wash.

SB651 would require that gas stations display:

- The higher (usually credit/debit) price; OR
- Both the credit/debit and cash price prominently.

Last year, both **Prince George's County** and **Montgomery County** unanimously passed and enacted consumer protection laws similar to this bill. **Howard County** had its hearing last week with three of the five Councilmembers as co-sponsors. **Baltimore City** also had its hearing yesterday, where I testified, and the committee has already approved the bill! SB651 is a modified version of last year's SB178 but with greater flexibility, reflecting Prince George's County and Montgomery County laws.

Maryland would join 10 other states, including California (2017), Connecticut (2011), Delaware (2010), Georgia (2010), Louisiana (1990), Massachusetts (2013), Michigan (2012), Minnesota (1994), New Jersey (2012), and South Dakota (1992)— as well as New York City (2013)— which give consumers access to complete pricing knowledge.

My amendments, drafted in collaboration with the Mid-Atlantic Petroleum Distributors Association and National Federation of Independent Businesses, will change the name of the bill, add a preemption clause, clarify that it applies to all gas stations, and add a requirement pertaining to the size of the displayed prices.

**I urge a favorable report on SB651 as amended.**

<sup>1</sup> Convenience Retailer's Report (2021) [www.blog.usa.pwm.com/blog/pump-behavior-9-habits-of-gas-buying-customers](http://www.blog.usa.pwm.com/blog/pump-behavior-9-habits-of-gas-buying-customers)

<sup>2</sup> DCist (2023) [www.dcist.com/story/23/02/08/maryland-bills-price-transparency-gas-stations/](http://www.dcist.com/story/23/02/08/maryland-bills-price-transparency-gas-stations/)

<sup>3</sup> Chase Bank (2023)

[www.chase.com/personal/credit-cards/education/basics/why-do-gas-stations-charge-more-for-credit#:~:text=According%20to%20the%20Association%20for,fee%20about%20%240.09%20per%20gallon.](http://www.chase.com/personal/credit-cards/education/basics/why-do-gas-stations-charge-more-for-credit#:~:text=According%20to%20the%20Association%20for,fee%20about%20%240.09%20per%20gallon.)

# SB651: Clearer Gas Price Signage

Ending “Bait & Switch” for Consumers

# Problems

1. Hidden credit price sign
2. Tiny font for “cash”
3. Credit price is unacceptably displayed as lower than cash price
4. Different price on the other side of the sign



# Gas Price Signage Local Legislation

- **Montgomery County:**
  - Unanimously passed on 03/28/2023
- **Prince George's County:**
  - Unanimously passed on 09/06/2023
- **Howard County**
  - Had its bill hearing last week, 02/20/2024
- **Baltimore City**
  - Hearing yesterday, 02/28/2024
  - Committee already approved it!

# Amendments with Consensus

1. Amend title of the bill to "Gas Price Clarity"
2. Add local preemption - making SB651/HB882 the standard statewide and in all local jurisdictions (county and municipal)
3. Apply to all gas stations
4. Clarify language that numerals/letters must be the same size on all gas price signs



**Let's join the 10 other states (CA, CT, DE, GA, LA, MA, MI, MN, NJ, and SD) and provide more gas price clarity for our consumers.**

**I urge a favorable report on SB651 as amended.**