

SB 651 - Gas Price Signage - CPD - Support.pdf

Uploaded by: Benjamin Fleury

Position: FAV

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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

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February 29, 2024

TO: The Honorable Pamela Beidle, Chair
Finance Committee

FROM: Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation, Legislation and Policy

Benjamin Fleury, 3L, University of Maryland School of Law, and
Legislative Law Clerk, Consumer Protection Division

RE: Senate Bill 651 – Business Regulation – Sale of Motor Fuel – Pricing
Signage (SUPPORT)

We are writing to express the support of the Consumer Protection Division of the Office of the Attorney General for Senate Bill 651, sponsored by Senator Kagan, which would require service stations to post signs listing the credit and debit price for gasoline, if the service station accepts credit and debit cards, and the cash price, rather than the lowest price, which is the requirement under current law. The Division regularly receives complaints from consumers who drive into a gas station in response to a sign advertising the price per gallon only to find when they get to the pump that the actual price is higher unless they pay with cash.

A survey reported by Statista showed that the substantial majority of gas purchases are made with credit and debit cards, not cash. <https://www.statista.com/statistics/294113/payment-preference-gas-station-us-2013/> The survey found that, in 2018, 85% of consumers used debit cards or credit cards when paying for gas and only 15% paid cash. Consequently, the price displayed to the public should be the price that most consumers will be paying, not the price available only to a small minority of consumers. Signs identifying both the cash and credit prices would similarly accomplish the goal of informing consumers of the actual price they will be paying *before* they drive into the station.

Nothing in Senate Bill 651 prohibits a service station from charging different prices for cash and credit purchases – rather the bill solely requires that prices disclosed on the station's

signs be the price that consumers are most likely to pay. Many service stations already use signs that display both the cash and credit prices so consumers know what they will be charged before they enter the station.

The price that most people would pay—the credit price—is material information and displaying the lower cash price for gas without also conspicuously displaying the higher credit price would constitute an omission of material information, the omission of which misleads consumers. However, Senate Bill 651 would be helpful because it would expressly require that both the cash and the credit price be displayed on the same sign.

Accordingly, the Consumer Protection Division respectfully requests that the Senate Finance Committee give Senate Bill 651 a favorable report.

cc: Members, Finance Committee
The Honorable Cheryl Kagan

HB651 Testimony (Councilman Mark Conway _ Favorabl

Uploaded by: Councilman Mark Conway

Position: FAV



Councilman Mark Conway
Baltimore City Council *Fourth District*

100 N. Holliday Street, Suite 550 • Baltimore, Maryland 21202
(410) 396-4830 • mark.conway@baltimorecity.gov

TO: Chair Pamela Beidle; Vice Chair Katherine Klausmeier; members of the Finance Committee
FROM: Mark Conway (District 4, Baltimore City Council; Chair, Public Safety and Government Operations Committee)
RE: SB651 (Business Regulation – Sale of Motor Fuel – Pricing Signage (Gas Price Gouging Act))
POSITION: SUPPORT

I am writing today to offer my support for SB651 (Business Regulation – Sale of Motor Fuel – Pricing Signage (Gas Price Gouging Act)), which would require that gas station signage prominently and clearly display the credit and debit price, if higher than the cash price, or the credit and debit price and the cash price.

SB651 is a common-sense, consumer-friendly bill. Current Maryland state law requires gas stations to display the lowest price of regular gasoline, and some gas stations charge different prices depending on method of payment. The lowest price displayed often requires payment in cash, but this price is usually displayed first to entice drivers to come to that gas station, only to find they're paying more if using a debit or credit card. This bill would standardize clear, visible signage at all gas stations and would require that the credit or card price (if higher than the cash price) be listed on gas station signs, safeguarding the consumer's freedom of choice and upholding price transparency.

SB651 would not only protect buyers at the pump, but would also codify at the state level legislation taking hold in different counties around Maryland. In Baltimore City, I introduced legislation that would have the same effect: Bill 24-0480 (Motor Fuel Credit Price – Signage), which would require that the highest credit card price be listed on gas station signs and would establish a penalty for dishonest and inequitable signage policies. Similar bills have also been passed in Montgomery County and Prince George's County. Since introducing my bill in Baltimore, I have received thanks from people all around my district and the city.

I urge a favorable report on bill SB651.

Sincerely,

Mark S. Conway, Jr.

testimony2024sb651.pdf

Uploaded by: Franz Schneiderman

Position: FAV



Auto Consumer Alliance
13900 Laurel Lakes Avenue, Suite 100
Laurel, MD 20707

Testimony to the Senate Finance Committee
SB 651 – Business Regulation – Sale of Motor Fuel –Pricing Signage –
(Gas Price Gouging Act)
Position: Favorable

The Honorable Pam Beidle
Senate Finance Committee
3 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Senate Finance Committee

Feb. 29, 2024

Honorable Chair Griffith and Members of the Committee:

I'm a consumer advocate and Executive Director of Consumer Auto, a non-profit group that works to protect consumers and secure safety, transparency, and fair treatment for Maryland drivers.

Consumer Auto supports **SB 651** because it will make posted gas prices more transparent and more fair to consumers – and help drivers save money on a product most of us need to purchase every week. Since few consumers use cash to buy gas, allowing dealerships to post only the lowest price for their gas – which very often is a cash price that is significantly lower than the credit price many customers will actually pay – gives consumers incomplete and sometimes misleading information about the price they are likely to pay.

Requiring dealers to prominently post either both the cash and credit price or the highest price of their gas is a simple way to prevent customers from getting a nasty and costly surprise at the pump. Several states already mandate this disclosure. Ten states, including New York, Connecticut, Massachusetts, Florida, and even Texas forbid credit card surcharges for gas altogether.¹

The cost of gas is a quite significant budget item for many of us. With the average driver using more than 650 gallons/year, most families spend families more than \$2,000/year on gas – and a 5- to 10-cent/gallon surcharge for credit card purchases can add up quickly. This reform will give consumers fuller and fairer information to help manage the cost.

The relevant section of the Maryland Code (Business Regulation 10-315) already regulates signs at gas stations rather closely in an effort to make prices clear to consumers – right down to regulating the relative sizes of the numerator and denominator in a gas price quote. Yet that careful effort is undermined when gas stations gas can prominently display only the lowest available price, without clearly disclosing that customers who use credit may pay significantly more.

We ask you to give **SB 651** a FAVORABLE report.

Sincerely,
Franz Schneiderman
Consumer Auto

¹ <https://www.nerdwallet.com/article/credit-cards/credit-card-charged-more-gas-station>

AAA Testimony in SUPPORT of SB651 - Sale of Motor

Uploaded by: Ragina Ali

Position: FAV



AAA Mid-Atlantic's Testimony in SUPPORT of Senate Bill 651 - Business Regulation – Sale of Motor Fuel – Pricing Signage

Sponsor: Senator Kagan

- AAA Mid-Atlantic supports [Senate Bill 651 - Business Regulation – Sale of Motor Fuel – Pricing Signage](#), which would require retail service stations to “prominently display...the credit and debit price of gasoline, if higher than the cash price.”
- Consumers are sometimes confused when they see a service station sign, prominently displaying a sign for less expensive gas, only to learn that price applies only to those who pay with cash, or under specific circumstances.
- SB 651 seeks to remedy this, by requiring clear and visible gas price signage, indicating the higher price of gasoline regardless of payment method, or displaying both the cash and credit/debit prices.
- Current law requires the display of the lowest gas price, which is usually either the cash amount or the price with additional stipulations, such as a car wash, which are not always clearly stated to consumers.
- The national annual average pump price for a gallon of unleaded regular gasoline was \$3.52 in 2023 and Maryland's annual average was \$3.44, according to [AAA](#).
- Most major gas stations, filling stations, convenience stores, and big box stores in the state of Maryland accept credit cards or debit cards, as is the case across the United States.
- A recent [AAA survey](#) indicated when it comes to selecting a gas station, Americans value convenience and price. In fact, three-quarters of U.S. drivers decide where to fuel up based on station location (75 percent) or price (73 percent).
- AAA supports SB 651, which would help alleviate confusion related to cash or credit prices when motorists purchase gasoline. Therefore, we respectfully urge the Committee to render a **favorable** report for **SB 651**.

Contacts:

*Ragina C. Ali, AAA Mid-Atlantic
Public and Government Affairs Manager
443.465.5020*

*Sherrie Sims, GS Proctor & Associates
Senior Associate
410.733.7171*

SB 651.HB882. Letter of Support _ (002).pdf

Uploaded by: Reuben Collins

Position: FAV



Charles County Government

CHARLES COUNTY COMMISSIONERS

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Mark Belton
County Administrator

February 29, 2024

Bill: SENATE BILL 651/HOUSE BILL 882 Business Regulation - Sale of Motor Fuel - Pricing Signage (Gas Price Gouging Act)
Committee: Senate – Finance
House – Economic Matters
Position: FAVORABLE

On behalf of the County Commissioners for Charles County, this letter is to express support for SB 651/HB882 –Business Regulation - Sale of Motor Fuel - Pricing Signage (Gas Price Gouging Act). The bill ensures that pricing signage displayed by gas stations clearly identifies prices of gasoline when the consumer’s method of payment is credit, debit, or cash.

The Mid-Atlantic Petroleum Distributors’ Association reports that the substantial majority of gas purchases are made with credit cards, yet gas stations typically display the cash price because it is lower than the credit/debit price. This means that consumers are by and large paying a higher price for gasoline than what is displayed. HB 651/HB882 seeks to equip consumers with accurate information, which should always be a priority in any business transaction.

It is also important to note that SB651/HB882 does not limit gas stations in any way from charging different prices based upon the payment method; it simply ensures that consumers know the accurate price before deciding where to purchase gasoline. Gas stations may continue to advertise their lower cash price, but must also display the higher credit price, should it exist.

SB651/HB882 is a reasonable bill that bolsters fairness and integrity. For the reasons stated herein, we encourage a FAVORABLE report on SB 651/HB882. Thank you for the opportunity to provide our support.

Sincerely,

A blue ink signature of Reuben B. Collins, II, Esq., consisting of stylized initials and a surname.

Reuben B. Collins, II, Esq., President
County Commissioners of Charles County

cc: Charles County Delegation

SB651 Kagan GPG Testimony and Presentation.pdf

Uploaded by: Sen. Cheryl Kagan

Position: FAV



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.¹ Moreover, roughly 90% of gas purchasers in Maryland pay for fuel using a credit or debit card.²

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.

¹ Convenience Retailer's Report (2021) www.blog.usa.pwm.com/blog/pump-behavior-9-habits-of-gas-buying-customers

² DCist (2023) www.dcist.com/story/23/02/08/maryland-bills-price-transparency-gas-stations/

³ 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.

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.

SB651 Written Testimony FAV 2024.pdf

Uploaded by: Zoe Gallagher

Position: FAV



Testimony to the Senate Finance Committee

SB651: Gas Price Gouging Act

Position: Favorable

February 28, 2024

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

Cc: Members, Senate Finance Committee

Honorable Chair Beidle 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.

SB651 requires service stations to post the highest gasoline price in a clear and legible manner, rather than the lowest price, as now required by current law.

With more than three million drivers on the road in Maryland, it's important for consumers to understand the cost of gas as they manage their budgets. Clarity and transparency are one of the fundamental pillars of consumer protection – consumers must know the full cost of the product, inclusive of taxes, fees, etc.

This is an important disclosure for service stations since many price their gas differently depending on pay options – gas is cheaper for those paying cash rather than credit card. Today, the lowest gas price is advertised, however, many consumers use debit or credit cards rather than carry cash. In other words, if consumers are purchasing gas based on price and are unaware that the lowest price is only when they use cash, they have asymmetric information and can't make the most informed decision. Even if the advertised price changes on the electronic sign, a consumer must make quick decisions while driving and often have already committed to that specific gas station when they realize the advertised price they saw was only applicable for cash. This legislation would provide appropriate disclosure so that the consumer can make an informed choice when they purchase gas.

For these reasons, we support SB651 and urge a favorable report.

Best,
Zoe Gallagher, Policy Associate

SB651_MAPDA_fwa (2024).pdf

Uploaded by: Ellen Valentino

Position: FWA



Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
410-693-2226 ★ www.mapda.com

TO: Senate Finance Committee

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: February 29, 2024

RE: **SENATE BILL 651** – Business Regulation – Sale of Motor Fuel – Pricing Signage

On behalf of Maryland's convenience stores and energy distributors, MAPDA respectfully requests a favorable committee report with the following amendment on Senate Bill 651.

This legislation would make a variety of changes to the state's law regulating pricing signage at retail service stations including the ability for a station operator to post the credit and debit price (if higher than the cash price) *or* the credit and debit price and the cash price for a whole measurement of gasoline.

MAPDA urges the committee to adopt an amendment preempting local jurisdictions from enacting ordinances regulating pricing signage.

Our members own and operate stations throughout the state and in multiple jurisdictions. The signs required by state law are costly to construct and maintain. It makes sense to have a single standard across the entire state as opposed to 23 counties and 157 municipalities having the option to enact their own separate standard. The latter would only lead to increased costs for operators and confusion for drivers.

For these reasons, MAPDA respectfully requests a favorable committee report on SB651 with the amendment above.

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.

SB651 testimony.pdf

Uploaded by: Kirk McCauley

Position: FWA



WMDA/CAR Service Station
and Automotive Repair Association

Chair: Pamela Beidle, Vice Chair Katherine Klausmeier
Members of Senate Finance Committee

RE: SB 651

Position: Favorable with Amendments

My name is Kirk McCauley, my employer is WMDA/CAR, as a trade association we represent service stations, convenience stores and repair facilities across the state.

This legislation would amend the state's law regulating pricing signage at retail service stations including the ability for a station operator to post the credit and debit price (if higher than the cash price) or the credit and debit price and the cash price for a whole measurement of gasoline.

WMDA urges this committee to adopt an amendment preventing local authorities from enacting ordinances regulating pricing signage.

This would bring a standard price sign law for all counties and municipalities, and bring uniformity across the state, better for motorists, better for retailers who operate in multiple counties and cities and less confusion for state Weights and Measures, who enforces sign laws for motor fuel.

Please give SB651 a Favorable Report with Amendments

Any questions, Kirk McCauley, 301-775-0221 or kmccauley@wmda.net