

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 220
Finance

(Senator Kagan)

Gas Price Gouging Act

This bill requires a specified sign at all retail service stations to state the highest price or both the cash price and the credit price for a whole measurement unit of regular gasoline sold on the premises. Under current law, only the lowest price must be stated. An exemption from the existing signage requirement for retail service station dealers who operate with up to three dispensing units and six combined nozzles is repealed, thus making the new requirement apply to all retail service station dealers. The bill also makes a conforming change to a provision related to optional signage for diesel and other motor fuel products.

Fiscal Summary

State Effect: The Comptroller can enforce the bill with existing budgeted resources. Imposition of existing penalty provisions is not expected to materially affect State finances or operations.

Local Effect: Imposition of existing penalty provisions is not expected to materially affect local government finances or operations.

Small Business Effect: Minimal. There may be limited one-time costs for retail service stations to comply with the bill.

Analysis

Current Law: Retail service stations (*i.e.*, retail businesses where motor fuel is sold) must meet various registration, inspection, and signage requirements. Failure to comply with provisions related to the inspection and sale of motor fuel is a misdemeanor and is subject to a maximum penalty of a \$5,000 fine and/or one year imprisonment.

A sign or other means on or near a retail outlet that advertises the retail price of motor fuel may list the price and each tax separately if the listing of the total of the price and all taxes is the same size as the separate listing of the price. Even so, the sign must list the total of the price and all taxes by numerals of uniform size, subject to additional specified requirements.

A retail service station dealer who operates more than three dispensing units that combined have more than six nozzles must also keep a sign on the premises that, in addition to meeting other specified requirements, (1) states the *lowest* price for a whole measurement unit of regular gasoline sold on the premises; (2) states the unit of measurement used; and (3) is readable by passing motorists. The required sign may also state the lowest price for a whole measurement unit of diesel and other motor fuel products sold on the premises.

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

Background: The Motor Fuel Tax Unit in the Comptroller's Office is responsible for monitoring the distribution and use of motor fuels in Maryland. Among other responsibilities, the unit registers service stations and other facilities that sell or store motor fuels in bulk in order to regulate the quality of motor fuel sold in Maryland.

Additional Information

Prior Introductions: HB 1285 of 2019 received an unfavorable report from the House Economic Matters Committee. Its cross file, SB 453, received an unfavorable report from the Senate Finance Committee. SB 1046 of 2018 and SB 847 of 2017 received unfavorable reports from the Senate Finance Committee. SB 1127 of 2016, a similar bill, received a hearing from the Senate Finance Committee, but no further action was taken.

Designated Cross File: HB 101 (Delegate Rosenberg) - Economic Matters.

Information Source(s): Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2020
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Analysis by: Elizabeth J. Allison

Direct Inquiries to:
(410) 946-5510
(301) 970-5510