



AAA Mid-Atlantic's Testimony in SUPPORT of SB322 Gas Price Gouging Act

Sponsors: Senators Kagan, West and Benson

- AAA Mid-Atlantic supports **SB 322**, which would require all retail service stations in Maryland to post a specified sign stating the highest price or both the cash price and the credit price for a whole measurement unit of regular gasoline sold on the premises.
- Consumers have long complained about filling stations, fuel retailers, and convenience stores that post misleading signs about gas prices for different grades of fuel.
- Yet the signs posting the credit or debit card prices, which are generally higher, are often substantially smaller. Often times, these signs are difficult to read until the motorist is already at the gas station, and in some states the larger price is what one would pay when purchasing a car wash.
- The truth is, such price signage is misleading.
- SB 322 seeks to remedy this in the State of Maryland by requiring sign uniformity at gasoline stations. It would require the highest price or the credit price and debit card price, to be prominently displayed at retail sites selling motor fuels.
- According to the Energy Information Administration (EIA), the national annual average pump price for a gallon of unleaded regular gasoline was \$3.02 in 2021.
- Research reveals, “drivers fill up an average of 4.5 times per month. On average, Maryland consumers paid an average pump price of \$2.31 in 2021.
- Depending upon the annual average price of a fill-up of regular unleaded gasoline, Americans spend five to seven percent of their income on gasoline purchases.
- 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.
- Nearly nine out of ten Americans, and nearly 90% of Marylanders, use a credit card or a debit card to purchase gas or diesel fuel at self-serve kiosk, according to an August 2019 study.
- Yet in terms of the form of payment for fuel, only 4% of the gasoline purchased at filling stations across the country is paid for with cash.

- However, consumers are confused when they pull into a service station with prominent price indicator display signs indicating a cheaper price point than competing gas stations in the area, only to see another much smaller sign advertising the more expensive credit card price or debit card price.
- Nearly 40 million Americans fill up their vehicles every day. Gasoline purchases account for approximately 5% to 6% of consumer household spending per year. Consumers shouldn't be deceived about the price they will pay until they spot the credit card price on smaller signs.
- AAA supports SB 322, which would address what many consumers view as false and misleading signage, and we respectfully urge the Committee to render a favorable report.

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