

# **SB178 Gas Price Gouging Act.pdf**

Uploaded by: Anna Walker

Position: FAV



**Testimony to the Senate Finance Committee**  
**SB178: Gas Price Gouging Act**  
**Position: Favorable**

February 9, 2023

The Honorable Melony Griffith, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, MD 21401  
Cc: Members, Senate Finance Committee

Honorable Chair Griffith 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.

SB178 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. This legislation would provide appropriate disclosure so that the consumer can make an informed choice when they purchase gas.

For these reasons, we support SB178 and urge a favorable report.

Best,  
Marceline White  
Executive Director

**SB 178 - MoCo\_Boucher\_FAV (GA 23).pdf**

Uploaded by: Kathleen Boucher

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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**SB 178**

**DATE: February 9, 2023**

**SPONSOR: Senator Kagan**

**ASSIGNED TO: Finance**

**CONTACT PERSON: Kathleen Boucher (Kathleen.boucher@montgomerycountymd.gov)**

**POSITION: Support (Office of Consumer Protection)**

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### **Business Regulation – Sale of Motor Fuel – Signage (Gas Price Gouging Act)**

This bill seeks to make changes to the Business Regulation Article regarding signage at retail service stations. Current law requires that service stations keep signs on their premises that state the lowest price for a whole measurement unit of regular gasoline that is sold there. This bill amends the law to remove the requirement to state the lowest price and instead require service stations to have signs on their premises stating the credit and debit price and the cash price clearly and visibly.

The Office of Consumer Protection has received complaints from consumers who are confused by gas station signage. Not all stations post prices in the same manner, and it is not always clear what price will apply. It will benefit all consumers in Montgomery County to have better and more uniform disclosures of the price that they will pay for gas for all methods of payment, therefore the Office of Consumer Protection supports this legislation.

# **SB178 Gas Price Gouging 2023.pptx.pdf**

Uploaded by: Sen. Cheryl Kagan

Position: FAV

**SB178:**

# Gas Price Gouging

Ending “Bait & Switch” at MD Gas Stations



# Gas Prices: A Recent History

- 84% of people say rising gas prices are a problem for their family – Fox News (Oct 2021)
- Highest price in over 7 years – AAA (Feb 2022)
- 34% increase in MD since February 2021 – MD State Wire (Feb 2022)

# Pump Habits Data from GasBuddy

- 46% pay for gas with their credit card
- 24% pay with debit card
- That means only 30% pay with cash



# Current law allows “Bait & Switch”



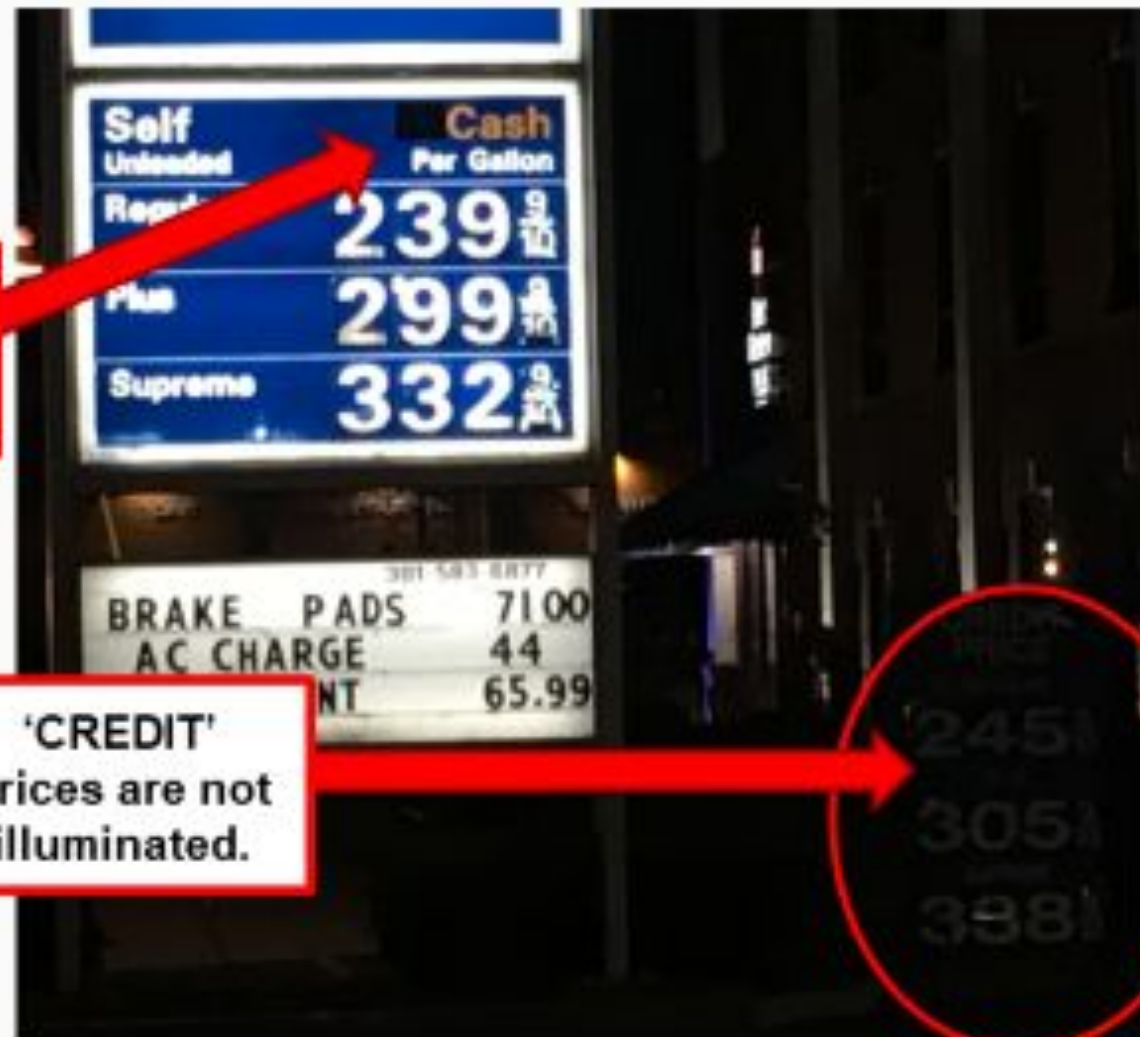
Bait & Switch is done by many brands of gasoline.



# Many prices are impossible to see at night!



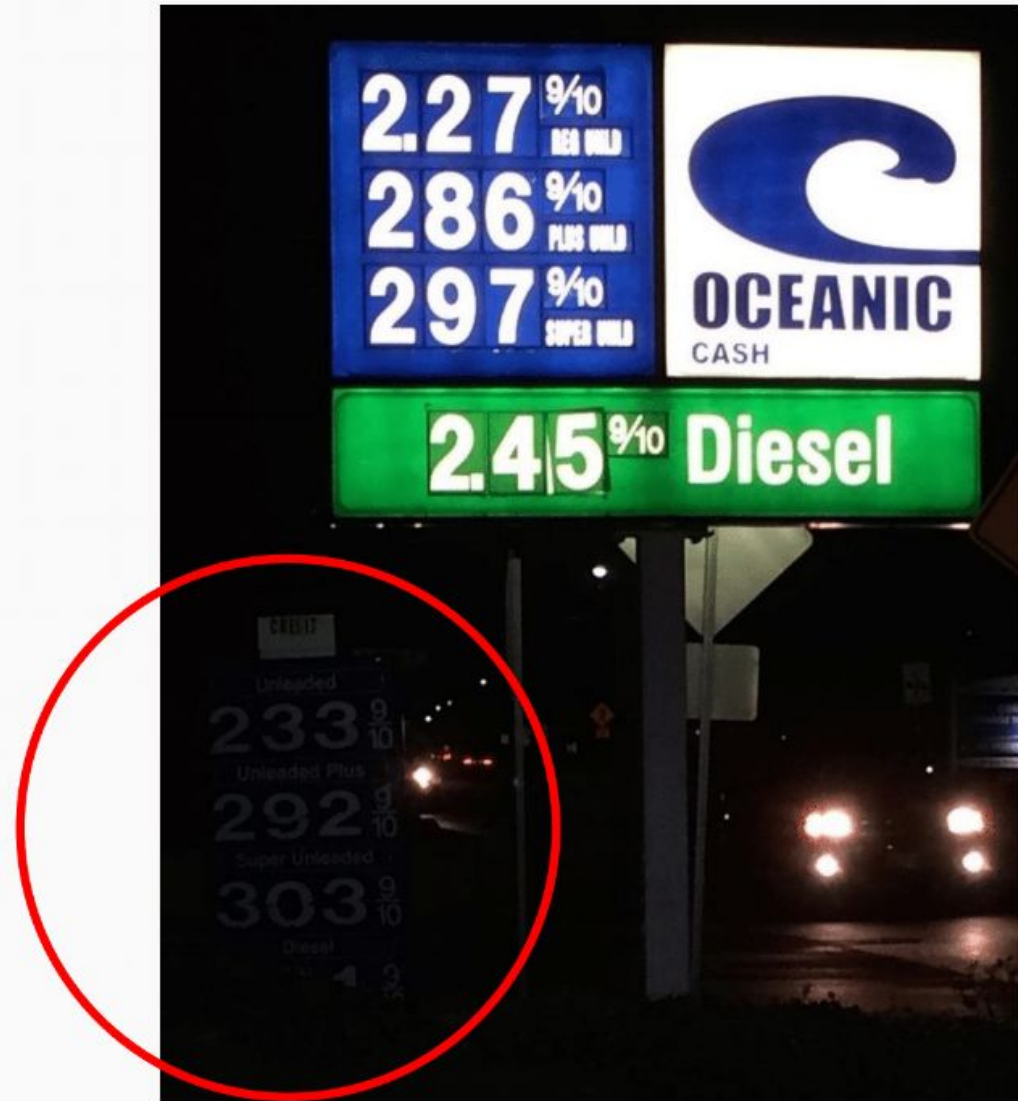
Lower cash prices are clearly visible, but 'CASH' is hard to see.



'CREDIT' prices are not illuminated.

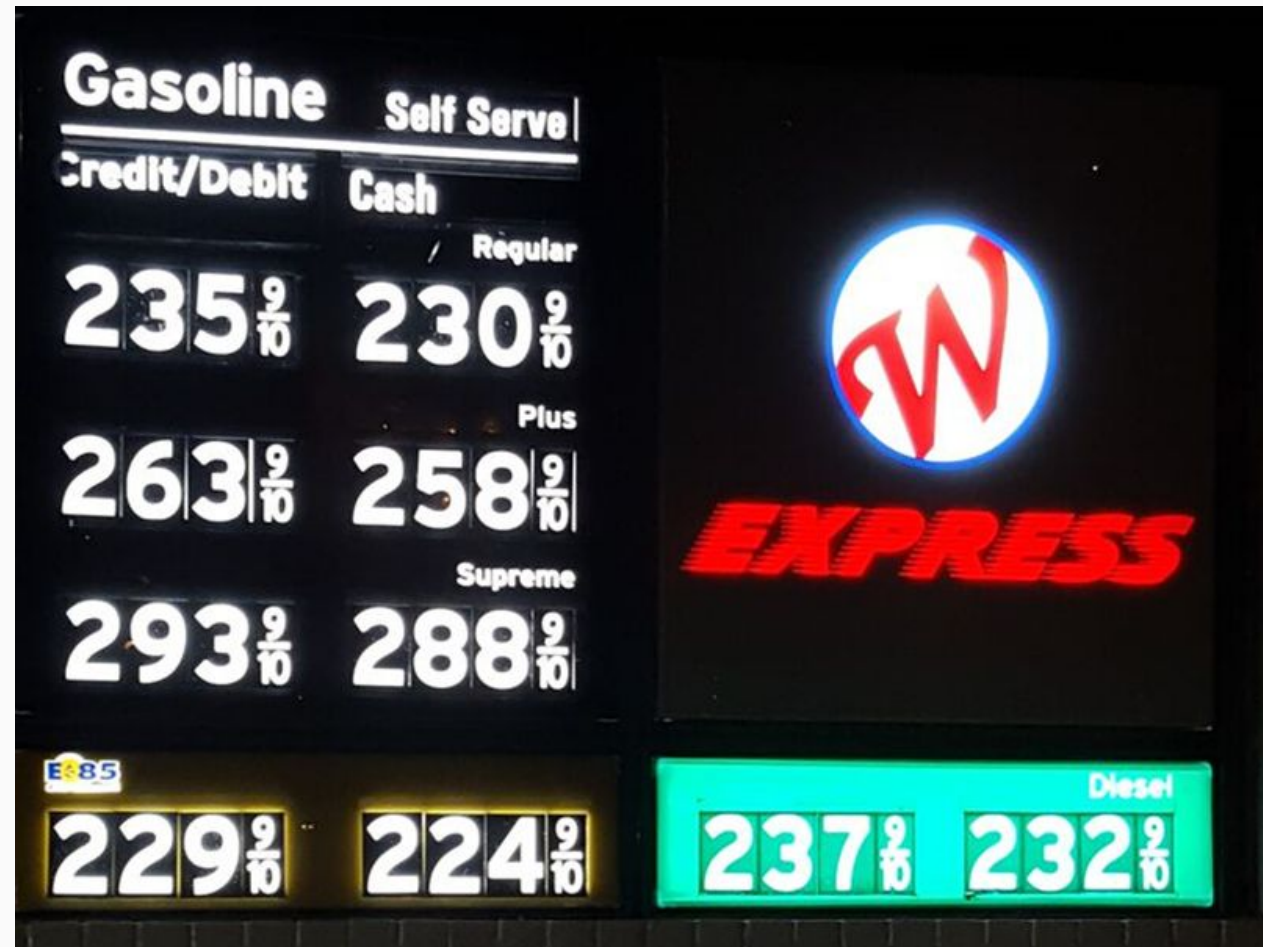


# Oceanic on West Street... credit price is totally blocked!



**SB178 would require stations to  
clearly and visibly post the price  
for credit and debit (if accepted),  
as well as cash**

Both prices are posted clearly!





Illuminated and visible-- even at night!



# 10 states & NYC have laws to protect consumers from gas station “bait & switch.”

California (2017), Connecticut (2011), Delaware  
(2010), Georgia (2010), Louisiana (1990),  
Massachusetts (2013), Michigan (2012),  
Minnesota (1994), New Jersey (2012), South  
Dakota (1992),  
& New York City (2013)



# **SB178 Gas Price Gouging Testimony.pdf**

Uploaded by: Sen. Cheryl Kagan

Position: FAV

CHERYL C. KAGAN  
Legislative District 17  
Montgomery County

Vice Chair  
Education, Energy, and  
the Environment Committee



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Joint Audit and Evaluation Committee  
Joint Committee on Federal Relations

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**SB178: "Gas Price Gouging"**

Finance Committee

Thursday, February 9, 2023 1pm

According to a national poll, [84% of people](#) say that rising gas prices are a problem for their family (FOX). In Maryland, there has been a [34% increase](#) in gas prices since last February (MD State Wire). With fuel prices skyrocketing, we need to help gas customers know what they are paying.

According to convenience.org, [63% of drivers](#) rely on the large price sign when choosing a gas station, and [59%](#) say that cost is their most decisive factor. According to a GasBuddy survey, [70% of consumers](#) used credit or debit to pay for their fuel in 2021. Current law, by mandating only the cash price is displayed clearly and visibly, enables a "bait and switch." Customers are lured in by the price they see advertised, and when they pay with credit or debit, learn that the cost is fifteen cents per gallon higher than they thought.

[SB178](#) would mandate that gas stations **clearly and visibly** post the credit and debit price, if credit and debit cards are accepted, and the cash price. By passing this law, 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) in protecting its consumers against gas price gouging.

**I urge a favorable report on SB178.**

# **CPD support for SB 178 - Gas Price Signage.pdf**

Uploaded by: Steven Sakamoto-Wengel

Position: FAV

**ANTHONY G. BROWN**  
*Attorney General*

**CANDACE McLAREN LANHAM**  
*Chief of Staff*

**CAROLYN QUATTROCKI**  
*Deputy Attorney General*



**WILLIAM D. GRUHN**  
*Chief*  
Consumer Protection Division

Writer's Fax No.

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Direct Dial No.  
(410) 576-6307

February 9, 2023

To: The Honorable Melony Griffith  
Chair, Finance Committee

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

Re: Senate Bill 178 – Business Regulation – Sale of Motor Fuel – Signage  
(SUPPORT)

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I am writing to express the support of the Consumer Protection Division for Senate Bill 178, 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 178 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 178 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 178 a favorable report.

cc: The Honorable Cheryl Kagan  
Members, Finance Committee

**MAPDA Sign Bill SB 178 oppose.pdf**

Uploaded by: Ellen Valentino

Position: UNF



Mid-Atlantic Petroleum Distributors Association  
P.O. Box 711 ★ Annapolis, MD 21404  
410-693-2226 ★ [www.mapda.com](http://www.mapda.com)

To: Senate Finance Committee  
From: Ellen Valentino  
Date: February 9, 2023  
Re: SB 178 Gas Price Gouging Act  
Unfavorable

The service station industry is highly regulated when it comes to price requirements and pump inspections to ensure that customers get the gasoline they pay for. Many would agree that gasoline sales are one of the most competitive products sold. Our price is required to be posted on the street.

Over the years, signs have changed, and pumps have changed, and technology continues to evolve. Also, the means in which consumers pay has changed and that is continuing to evolve as well.

This bill will come at a cost to small business owners to address a problem that is really very limited in the scope of magnitude of transactions.

(Additionally, the title of the bill is not a fair reflection of the content of the legislation.)

**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.

# **SB178 Gas price 2.pdf**

Uploaded by: Kirk McCauley

Position: UNF





WMDA/CAR Service Station  
and Automotive Repair Association

February 9, 2023

Chairperson: Melony Griffith  
Members of Senate Finance Committee

RE: SB178 Gas Price Gouging Act  
Position: In opposition

Retail sellers of motor fuel are required to post their lowest price for regular gasoline. Credit card fees are high, and some dealers offer a less expensive price for gas by providing a cash price or combining it with car wash. Consumers have a choice.

More stations have gone to a single price or a dual price sign with diesel. These are digital signs and can be changed from a laptop or a POS terminal. They are much safer eliminating tall ladders or aluminum poles near power lines but on the downside they are expensive.

No gasoline retailer is out to deceive the public, gasoline sales are not a onetime purchase. Repeat business and regular customers are what motor fuel retailers depend on.

Consider the gallons pumped at retail and the number of customer complaints.

Maryland Gasoline retailers sold \*2,364,526,038. gallons of gasoline in \*FY2022. That is two billion, three hundred and sixty four million, five hundred and thirty six thousand gallons .Using a very liberal sixteen (16) gallon per transaction that equals 147,782,877 individual retail transactions. This is 147 million plus transactions at retail pumps with only twenty complaints(20) about the price not matching the street sign. There were nineteen complaints registered at Weights and Measures and one at the Comptroller's office, that street price did not match pump price (FY2022). One (1) complaint for every 7, 389,143 purchases. One complaint for over seven million transactions. The numbers speak for themselves.

Please give SB178 an unfavorable Report

\*Maryland, Motor Fuel Tax and Motor Carrier Tax (IFTA) Annual Report

WMDA/CAR is a trade association that has represented service stations, convenience stores and independent repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.ne