



Testimony to the House Economic Matters Committee
HB882: Gas Price Gouging Act
Position: Favorable

February 27, 2024

The Honorable Delegate C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401
Cc: Members, House Economic Matters Committee

Honorable Chair Wilson 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.

HB882 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 HB882 and urge a favorable report.

Best,
Zoe Gallagher, Policy Associate