

CANDACE McLAREN LANHAM
Chief Deputy Attorney General

CAROLYN A. QUATTROCKI
Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CHRISTIAN E. BARRERA
Chief Operating Officer

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

PETER V. BERNS
General Counsel



WILLIAM D. GRUHN
Chief
Consumer Protection Division

ANTHONY G. BROWN
Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

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

February 29, 2024

TO: The Honorable C.T. Wilson, Chair
Economic Matters Committee

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

RE: House Bill 882 – Business Regulation – Sale of Motor Fuel – Pricing
Signage (SUPPORT)

I am writing to express the support of the Consumer Protection Division of the Office of the Attorney General for House Bill 882, sponsored by Delegate Rosenberg, 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 House Bill 882 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, House Bill 882 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 House Economic Matters Committee give House Bill 882 a favorable report.

cc: Members, Economic Matters Committee
The Honorable Samuel Rosenberg