



March 3, 2026

The Honorable Kriselda "Kris" Valderrama
Chair
House Committee on Economic Matters
Taylor House Office Building, Room 362
6 Bladen Street
Annapolis, MD 21401

RE: Oppose Unless Amended HB 1475 - "Consumer Protection – Dynamic Pricing Disclosure and Prohibition on Rent-Setting"

Dear Chair Valderrama and members of the Committee:

On behalf of Chamber of Progress, a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advances, **I write to respectfully urge you to oppose HB 1475.**

As drafted, HB 1475 sweeps in routine, pro-consumer practices like personalized discounts, loyalty rewards, and targeted promotions and treats them as suspect. Disclosure requirements may be appropriate when a consumer is charged more than the standard price, but this bill goes further, lumping discounts together with price increases. That approach would confuse consumers, stigmatize common savings programs, and flood the market with warnings that provide no meaningful signal.

Any effective disclosure requirement should be limited to situations where a consumer is charged a personalized price *above* what others in the same region would pay. As drafted, HB 1475 fails to draw that distinction.

HB 1475's broad definition captures discounts as if they were harmful

If the legislature's goal is to warn consumers when they are being charged more than others, HB 1475 does not achieve that objective. Its definition of "personalized algorithmic pricing" is sufficiently expansive to capture not only price increases, but routine discounts and rewards that reduce prices for consumers.

The bill defines “personalized algorithmic pricing” as any dynamic price set by an algorithm using “personal data,” and defines personal data to include information that could reasonably be linked to a specific consumer or device. In practice, that standard encompasses nearly every modern digital discount program. If a price is generated through automated systems and informed by purchase history, browsing behavior, or account data, the mandated disclosure would apply, even when the result is a lower price.

As written, the disclosure requirement would extend to:

- **Personalized coupons.** A grocery store's app sends a customer a \$2-off coupon for the cereal they buy every week, or a deal on diapers because they have a baby at home.
- **Loyalty rewards.** A local coffee shop gives a customer a free drink after ten purchases, or sends a discount because they haven't visited in a month.
- **Win-back and retention offers.** A streaming service offers a discounted rate to a customer who canceled, or a meal kit company drops its price to keep a subscriber.
- **Delivery and rideshare promotions.** A delivery app sends a promo code for free delivery because a customer hasn't ordered in a while, or a rideshare app offers a discounted fare on a regular commute.
- **Small business offers.** A customer favorites a handmade necklace on an online marketplace and the seller sends a 10% off coupon, or a small clothing brand offers a discount because a shopper has browsed their site before.

In each instance, data linked to a consumer is processed through automated systems to generate a price. **Under HB 1475, these transactions would carry an alarming, all-caps warning, framed around algorithmic use of personal data.**

Most consumers lack familiarity with the technical terminology used in the bill.¹ When presented with a disclosure stating that a price was set by an algorithm using personal data, many will reasonably interpret it as a warning about a potentially harmful practice, even when the transaction reflects a discount. A consumer protection disclosure should not attach to a lower price.

Although HB 1475 includes exemptions for certain industries, it does not exempt loyalty programs, digital coupons, or other commonplace discount practices that families rely on to reduce household expenses. **Limiting the disclosure requirement to personalized price increases (prices set above what other consumers in the same region would pay), would align the warning with the conduct the legislature seeks to address.** That

¹ Pew Research Center, "How Americans View Data Privacy," Oct. 18, 2023, <https://www.pewresearch.org/internet/2023/10/18/how-americans-view-data-privacy/>.

approach would ensure consumers are alerted when they may be paying more than others, rather than when they are paying less.

Overly broad disclosures lose their power to protect consumers

The bill's sweeping disclosure requirement would undermine the very consumer protection it aims to create. Research on disclosure effectiveness shows that mandated disclosure has been called one of the "least successful regulatory tools in American law."² Most people find disclosures confusing, easy to ignore, and unhelpful. When everything carries a warning label, consumers tune out, and the warnings lose their protective function.³

California's experience with Proposition 65 cancer warnings shows where this leads. Companies now routinely attach warning labels to products without even testing whether the listed chemicals are present, because the warnings have become so ubiquitous that the cost of over-warning is lower than the cost of compliance verification.⁴

HB 1475 risks the same outcome. By requiring disclosure whenever algorithmic pricing is used, whether to raise prices or to offer discounts, the bill treats fundamentally different practices as if they pose the same concern. A retailer offering a targeted discount would carry the same warning as a bad actor quietly charging certain consumers more.

That approach both numbs consumers and shields misconduct. **Flooding every personalized transaction with a warning trains people to ignore it, while firms that use algorithms to raise prices can hide in plain sight among businesses using the same tools to lower them.** Limiting disclosure to personalized price increases would preserve the warning's signal and focus attention where real harm is most likely.

HB 1475's enforcement structure would burden businesses without advancing consumer protection

Beyond creating consumer confusion, HB 1475 exposes businesses to significant liability for commonplace pricing practices. The bill treats violations as unfair, abusive, or deceptive trade practices under Maryland's Consumer Protection Act, triggering the prospect of investigations, civil penalties, and litigation.

² Omri Ben-Shahar and Carl E. Schneider, *More Than You Wanted to Know: The Failure of Mandated Disclosure*, Princeton University Press, 2014, <https://press.princeton.edu/books/hardcover/9780691161709/more-than-you-wanted-to-know>.

³ Mercatus Center at George Mason University, "Warning Fatigue," January 2016, <https://www.mercatus.org/students/economic-insights/expert-commentary/warning-fatigue>.

⁴ Lauren Kirchner, "Why California Thinks Your Couch Will Give You Cancer," *Consumer Reports*, 2022, <https://www.consumerreports.org/toxic-chemicals-substances/why-california-thinks-your-couch-will-cause-cancer-pr-op-65-a5957101345/>.

In practice, enforcement would not stop at confirming that a disclosure was provided. It would invite scrutiny into how prices are generated, including the data inputs, pricing models, and decision rules that companies consider proprietary. Businesses would face pressure to explain and defend the internal logic of their pricing systems, even when those systems are used to offer discounts and rewards. **That dynamic risks compelling disclosure of confidential pricing strategies and competitively sensitive information, without a corresponding consumer harm.**

A narrower bill limited to personalized price increases would better calibrate enforcement to actual risk. It would focus regulatory scrutiny on situations where consumers may be paying more than others, rather than sweeping in routine data-driven discounts that reduce prices and benefit households.

The bill also lacks a notice-and-cure period before any enforcement action may proceed. Disclosure compliance involves technical implementation details where a good-faith merchant may fall short, and an opportunity to correct a violation before facing penalties would encourage compliance rather than punishment. The bill also risks enabling a private right of action, inviting opportunistic litigation over technical noncompliance rather than advancing consumer protection.

The personalized deals HB 1475 would stigmatize are the ones Maryland families depend on

The pricing practices HB 1475 would capture are the same ones that help Maryland families stretch their budgets. Digital coupons alone save the average household \$1,465 per year.⁵ Low-income families with children are among the most active coupon users and deal-seekers.⁶ At a time when the cost of living has increased for so many,⁷ personalized discounts, loyalty program rewards, and targeted promotions are precisely the tools consumers rely on to get the most for their dollar.

Consumers don't just tolerate personalization; they actively seek it out. The vast majority of consumers are comfortable with personalized offers, citing better prices, time savings, and a more efficient shopping experience as key benefits.⁸ More than half of grocery shoppers enjoy personalized product recommendations and appreciate personalized

⁵ Elyssa Kirkham, "Study: Skipping Online Coupons Could Cost You \$1,465 Per Year," *CouponFollow*, May 19, 2021, <https://couponfollow.com/research/coupon-data-study>.

⁶ Stephanie M. Noble et al., "Coupon Clipping by Impoverished Consumers: Linking Demographics, Basket Size, and Coupon Redemption Rates," *International Journal of Research in Marketing* 34, no. 2 (2017): 553-571, <https://doi.org/10.1016/j.ijresmar.2016.08.010>.

⁷ Erin Doherty, "New poll paints a grim picture of a nation under financial strain," *POLITICO*, Dec. 10, 2025, <https://www.politico.com/news/2025/12/10/poll-affordability-cost-of-living-00678076>.

⁸ Mark Abraham et al., "What Consumers Want from Personalization," *Boston Consulting Group*, Dec. 12, 2024, <https://www.bcg.com/publications/2024/what-consumers-want-from-personalization>.

discounts or rewards.⁹ And 70% of consumers say they value tailored recommendations from loyalty programs.¹⁰

Research also suggests personalized pricing often delivers broad benefits: lower prices for the majority of consumers,¹¹ increased market efficiency,¹² and positive distributional effects.¹³ These benefits should not be swept into a disclosure regime designed for price increases.

For these reasons, we respectfully oppose HB 1475. Should the legislature wish to pursue this issue, we believe effective legislation should limit its disclosure requirement to personalized price increases, prices set above what other consumers in the same region would pay, while excluding discounts, loyalty pricing, promotions, and cost-based or market-driven price differences. Such legislation should also include a notice-and-cure period before enforcement and should not create a private right of action. A bill built on these principles would align with its stated purpose, preserve disclosures' effectiveness, and protect the personalized deals that Maryland families rely on.

Chamber of Progress would welcome the opportunity to serve as a resource as the legislature works toward a solution.

Sincerely,



Brianna January
Director of State & Local Government Relations, Northeast US

⁹ RRD, *2024 CPG + Grocery Consumer Report*, 2024, <https://www.rrd.com/resources/research-report/2024-cpg-and-grocery-consumer-report>.

¹⁰ Bobby Stephens and Ramya Murali, *2024 Consumer Loyalty Survey*, Deloitte, Feb. 24, 2025, <https://www.deloitte.com/us/en/services/consulting/articles/brand-loyalty-program-consumer-behavior.html>.

¹¹ Jean-Pierre Dube and Sanjog Misra, "Personalized Pricing and Consumer Welfare," *Journal of Political Economy* 131, no. 1 (2023): 131-189, <https://www.journals.uchicago.edu/doi/10.1086/720793>.

¹² OECD, *Personalised Pricing in the Digital Era*, 2018, https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/10/personalised-pricing-in-the-digital-era_7313c12d/db4d9c9c-en.pdf.

¹³ Jerod Coker and Jean-Manuel Izaret, "Progressive Pricing: The Ethical Case for Price Personalization," *Journal of Business Ethics*, 2021, <https://doi.org/10.1007/s10551-020-04545-x>.