



March 3, 2026

House Economic Matters Committee
Attn: Joy Jones
230 Taylor House Office Building
Annapolis, MD 21401

Re: HB 1475 - "Consumer Pricing - Dynamic Pricing Disclosure and Prohibition on Rent Setting" (Oppose Unless Amended)

Dear Chair Valderrama and Members of the House Economic Matters Committee:

On behalf of the Computer & Communications Industry Association (CCIA), I write to respectfully oppose HB 1475 as currently drafted, and to urge adoption of the attached redline amendments. CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.¹ Proposed regulations on the interstate provision of digital services could significantly impact CCIA members. While our member companies support transparency and consumer protection, the current language of HB 1475 creates an unworkable regulatory environment that would inadvertently punish Maryland businesses for offering discounts and stifle the data-driven efficiencies that keep prices low for consumers. The enclosed amendments are designed to preserve the bill's intent while making it workable and appropriately scoped.

Economic Harm to Maryland Businesses

HB 1475 applies a "one-size-fits-all" mandate to every merchant selling to Marylanders. By requiring a rigid, alarming disclosure² for a vast range of pricing communications, the bill mandates a costly compliance overhaul for many businesses. For retailers operating on thin margins, these administrative burdens will inevitably lead to higher overhead and, ironically, higher costs for the very families the bill seeks to protect.

Undermining Consumer Trust and Benefit

The mandated disclosure risks "notice fatigue" and unnecessary alarm. Most consumers do not realize that algorithmic pricing is frequently used to provide personalized discounts, loyalty rewards, and targeted promotions. By branding these common and beneficial business practices with a cautionary label, the proposal risks misleading Marylanders into believing a routine discount is a "nefarious" use of their information. Furthermore, data-driven pricing allows for efficient inventory management and reduced food waste, benefits that directly contribute to lower average prices.

¹ For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. A list of CCIA members is available at <https://www.ccianet.org/members>.

² HB 1475, 13-321(C): "A merchant may not set the price of specific consumer goods or services using personalized algorithmic pricing and directly or indirectly advertise, promote, label, or publish a communication of the personalized algorithmic pricing for the consumer good or service to a consumer in the state, unless the merchant includes with the communication a clear and conspicuous disclosure with the following statement: **'this price was set by an algorithm using your personal data.'**"



Concerningly, the disclosure requirement is overly broad and lacks nuance. Any use of customer data, even zip code or purchase history, qualifies as a disclosure trigger. This would result in every personalized promotion or location-adjusted sale carrying identical stark warnings. For example, online delivery services such as DoorDash and UberEats, which rely on a user's location to determine pricing (e.g., for extended delivery to cover longer trips), would be required to display the disclaimer, likely increasing consumer uncertainty about pricing.

Instead of informed consumer choice, the bill risks triggering blanket distrust. Shoppers seeing the label next to a price they perceive as favorable may wonder, "What am I not seeing?" Distrust may defeat any transparency goals.

Algorithmic pricing lowers consumer prices for consumers who need it most

Studies have shown that consumers and the broader economy tend to benefit from algorithmic pricing so long as the equilibrium quantity increases with the use of algorithmic pricing.³ Additionally, in a recent lawsuit against a similar bill in New York, the National Retail Federation (NRF) noted that algorithms enable firms to respond flexibly to supply and demand fluctuations, reducing prices overall.⁴ The NRF also notes that many programs (like coupons, loyalty rewards, and cart-abandonment offers) are merely alternative, scaled-up forms of algorithmic pricing.⁵

Stigmatizing these tools through alarming labels risks misinforming consumers and ultimately discouraging their use. In effect, it turns beneficial promotions into liabilities. More warning labels may translate to fewer deals, hurting consumer welfare. These costs would be borne disproportionately by lower-income consumers, who are most likely to receive price reductions from coupons and algorithmic pricing.⁶

Serious Legal and Regulatory Risk

The bill's inclusion of a private right of action risks opening the door to frivolous, predatory litigation against businesses acting in good faith. Furthermore, the bill introduces novel definitions of "personal data" that conflict with the Maryland Online Data Privacy Act (MODPA), risking the creation of a patchwork of conflicting regulations. Finally, the bill inappropriately conflates retail pricing with residential rent-setting, two entirely different markets that require distinct legislative frameworks.

³ See, e.g., Trevor Wagener, *Why New York's Algorithmic Pricing Disclosure Act Misses the Mark* (Jul. 22, 2025), <https://ccianet.org/articles/why-new-yorks-algorithmic-pricing-disclosure-act-misses-the-mark/>; Cody Taylor, Mercatus Center, *The Case for Algorithmic Pricing: Consumer Welfare, Market Efficiency, and Policy Missteps* (May 14, 2025), <https://www.mercatus.org/research/policy-briefs/case-algorithmic-pricing-consumer-welfare-market-efficiency-and-policy>.

⁴ Chain Drug Review, *NRF files lawsuit to stop New York's algorithmic pricing disclosure law* (Jul. 3, 2025), <https://chaindrugreview.com/nrf-files-lawsuit-to-stop-new-yorks-algorithmic-pricing-disclosure-law/>.

⁵ Supermarket News, *National Retail Federation sues New York over algorithmic pricing law*, (Jul. 7, 2025), <https://www.supermarketnews.com/legislation-regulatory-news/national-retail-federation-sues-new-york-over-algorithmic-pricing-law>.

⁶ Trevor Wagener, *Personalized Discounts, Public Gains: The Welfare Case for Algorithmic Pricing* (Jul. 8, 2025), <https://ccianet.org/articles/personalized-discounts-public-gains-the-welfare-case-for-algorithmic-pricing>.



Recommended Amendments for a Path Forward

To address these fundamental flaws while ensuring transparency and properly addressing the issues the bill seeks to target, CCIA urges adopting the following amendments:

- **Target the Harm:** Narrow the definition of “personalized algorithmic pricing” to focus exclusively on individualized price increases. This protects legitimate uses of data, such as personalized promotions and loyalty programs.
- **Establish a “Baseline Price”:** Define a clear reference point (the price generally available to the public in a region) so that businesses and regulators can objectively determine when a price has actually been increased for a specific user.
- **Harmonize with Existing Law:** Align all definitions of “personal data” and “consent” with the Maryland Online Data Privacy Act and other existing laws to ensure a consistent regulatory environment.
- **Remove the Private Right of Action:** Enforcement should remain solely with the Attorney General. We also request a 30-day grace period to allow businesses to fix technical errors before facing penalties and enforcement under the new law.
- **Clarify Disclosures:** Amend the required disclosure language to: “THIS PRICE WAS INCREASED BY AN ALGORITHM USING YOUR PERSONAL DATA.” This ensures transparency is reserved for instances where the consumer is actually being charged more, rather than when they are receiving a discount.

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We believe these changes would address consumer concerns regarding price manipulation while preserving the innovative tools that allow Maryland retailers to remain competitive. CCIA respectfully requests an unfavorable report on HB 1475 unless these critical amendments are adopted.

Sincerely,

Megan Stokes
State Policy Director
Computer & Communications Industry Association