

SB332_ConsumerAuto_FAV

Uploaded by: Franz Schneiderman

Position: FAV



Auto Consumer Alliance
13900 Laurel Lakes Avenue, Suite 100
Laurel, MD 20707

**Testimony to the Senate Finance Committee
SB 332 – Gas Price Gouging Act
Position: Favorable**

Feb. 10. 2022

The Honorable Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

I'm a consumer advocate and Executive Director of Consumer Auto, a non-profit group that works for safety, transparency, and fair treatment for Maryland drivers and car buyers.

Consumer Auto supports **SB 332** because it will make posted gas prices more transparent and fair to consumers. Since most consumers purchase gas on credit, allowing dealerships to post only the lowest price for their gas – which very often is a cash price that is significantly lower than the credit price most customers will actually pay – gives consumers incomplete and sometimes misleading information about the actual price they are likely to pay.

Requiring dealers to prominently post either both the cash and credit price or the highest price of their gas will prevent customers from getting a nasty and costly surprise at the pump.

The cost of gas is a quite significant budget item for many of us – costing many families more than \$2,000/year and rising about \$600/year on average over the last year. This reform will give consumers fuller and fairer information to help manage the cost.

The relevant section of the Maryland Code (Business Regulation 10-315) already regulates signs at gas stations rather closely in an effort to make prices clear to consumers – right down to regulating the relative sizes of the numerator and denominator in a gas price quote. Yet that careful effort is undermined when gas stations gas can prominently display only the lowest price, without clearly disclosing that customers who use credit may pay significantly more.

We ask you to give **SB 332** a FAVORABLE report.

Sincerely,

Franz Schneiderman
Consumer Auto

SB322 Gas Price Gouging Act.pdf

Uploaded by: Isadora Stern

Position: FAV



Maryland Consumer Rights Coalition

Testimony to the Senate Finance Committee
SB 322: Gas Price Gouging Act
Position: Favorable

February 10, 2022

Delores G. Kelley, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401
Cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

MCRC is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

SB 322 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 SB322 and urge a favorable report.

Best,
Marceline White
Executive Director

Testimony for SB322.pdf

Uploaded by: Ragina Ali

Position: FAV



AAA Mid-Atlantic's Testimony in SUPPORT of SB322 Gas Price Gouging Act

Sponsors: Senators Kagan, West and Benson

- AAA Mid-Atlantic supports **SB 322**, which would require all retail service stations in Maryland to post a specified sign stating the highest price or both the cash price and the credit price for a whole measurement unit of regular gasoline sold on the premises.
- Consumers have long complained about filling stations, fuel retailers, and convenience stores that post misleading signs about gas prices for different grades of fuel.
- Yet the signs posting the credit or debit card prices, which are generally higher, are often substantially smaller. Often times, these signs are difficult to read until the motorist is already at the gas station, and in some states the larger price is what one would pay when purchasing a car wash.
- The truth is, such price signage is misleading.
- SB 322 seeks to remedy this in the State of Maryland by requiring sign uniformity at gasoline stations. It would require the highest price or the credit price and debit card price, to be prominently displayed at retail sites selling motor fuels.
- According to the Energy Information Administration (EIA), the national annual average pump price for a gallon of unleaded regular gasoline was \$3.02 in 2021.
- Research reveals, “drivers fill up an average of 4.5 times per month. On average, Maryland consumers paid an average pump price of \$2.31 in 2021.
- Depending upon the annual average price of a fill-up of regular unleaded gasoline, Americans spend five to seven percent of their income on gasoline purchases.
- Most major gas stations, filling stations, convenience stores, and big box stores in the state of Maryland accept credit cards or debit cards, as is the case across the United States.
- Nearly nine out of ten Americans, and nearly 90% of Marylanders, use a credit card or a debit card to purchase gas or diesel fuel at self-serve kiosk, according to an August 2019 study.
- Yet in terms of the form of payment for fuel, only 4% of the gasoline purchased at filling stations across the country is paid for with cash.

- However, consumers are confused when they pull into a service station with prominent price indicator display signs indicating a cheaper price point than competing gas stations in the area, only to see another much smaller sign advertising the more expensive credit card price or debit card price.
- Nearly 40 million Americans fill up their vehicles every day. Gasoline purchases account for approximately 5% to 6% of consumer household spending per year. Consumers shouldn't be deceived about the price they will pay until they spot the credit card price on smaller signs.
- AAA supports SB 322, which would address what many consumers view as false and misleading signage, and we respectfully urge the Committee to render a favorable report.

Contacts:

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SB322 Gas Price Gouging Testimony.docx.pdf

Uploaded by: Sen. Cheryl Kagan

Position: FAV

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Vice Chair
Education, Health, and
Environmental Affairs Committee

Joint Audit Committee
Joint Committee on Federal Relations

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB322: Gas Price Gouging Act
Finance Committee
Thursday, February 10, 2022 | 1pm

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

[63% of drivers](#) rely on the large price sign when choosing a gas station; [59%](#) say that cost is their most decisive factor. In 2019, [78% of consumers](#) used credit or debit to pay for their fuel. Higher prices for using a credit/debit card are usually hidden on signs that are obscured. Current law “hoses” consumers by allowing stations to “bait and switch” them by only requiring that stations post the lowest (cash) price.

The Office of the Attorney General, Consumer Protection Division, states that they “regularly receive 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.” This also hurts gas stations that disclose the highest price, as consumers will choose stations they perceive to have lower prices.

[SB332](#) will mandate that gas stations **clearly post** either the highest price (credit/debit) or both the cash and credit/debit price. There is no burden on the station owners themselves, as they will just have to change the posted price...which they already do on a (too) regular basis!

By passing this law, Maryland would join 10 other states and New York City in protecting its consumers against this outrageous gas price gouging.

I urge a favorable report on SB322.

Letter supporting SB 322 - gas prices - 2022.pdf

Uploaded by: Steven Sakamoto-Wengel

Position: FAV

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STATE OF MARYLAND
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CONSUMER PROTECTION DIVISION

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February 10, 2022

TO: The Honorable Delores G. Kelley
Chair, Senate Finance Committee

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

RE: SB 322 -- Gas Price Gouging Act (SUPPORT)

I am writing to express the support of the Consumer Protection Division for Senate Bill 322, sponsored by Senators Kagan, West and Benson, which would require service stations to post signs listing the highest price for gasoline rather than the lowest price or, in the alternative, both the cash and credit prices where those prices differ. 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.

The Mid-Atlantic Petroleum Distributors' Association reports that the substantial majority of gas purchases are made with credit cards, not cash. This is confirmed by the 2018 Total System Services Survey, which included consumer payment preferences at gas pumps, reflected that 80% of consumers used debit cards or credit cards when paying for gas. 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 322 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 Consumer Protection Act would prohibit a gas station from displaying the lower cash price for gas without also conspicuously displaying the higher credit price for the same type of gasoline, if the station charges more than one price. However, nothing in the Consumer Protection

The Honorable Delores G. Kelley
Senate Bill 322
February 10, 2022
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Act requires that either only the higher price be displayed or that both the cash and the credit price to be displayed on the same sign, which is what Senate Bill 322 would require.

Accordingly, the Consumer Protection Division respectfully requests that the Senate Finance Committee give Senate Bill 322 a favorable report.

cc: The Honorable Cheryl Kagan
The Honorable Chris West
The Honorable Joanne Benson

MAPDA SB322 Opposition.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

To: Senate Finance Committee
From: Ellen Valentino
Date: February 10, 2022
Re: SB 322 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.

SB322 gas price .pdf

Uploaded by: Kirk McCauley

Position: UNF



WMDA/CAR Service Station
and Automotive Repair Association

February 8, 2022

Chairperson: Delores G. Kelley
Members of Senate Finance Committee
RE: SB322 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 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 gasoline dealers' bread and butter. The numbers below will tell the story

Maryland Gasoline retailers sold 2,371,065,994. gallons of gasoline in *FY2021. That is two billion, three hundred and seventy one million gallons .Using a very liberal sixteen (16) gallon per transaction that equals 148,191,624 individual retail transactions. This is 148 million plus transactions at retail pumps with only twenty-six complaints(26) about the price not matching the street sign. There were twenty complaints registered at the Weights and Measures and six at the Comptroller's office that street price did not match pump price (FY2021). One (1) complaint for every 5, 699,677. One complaint for every Five and half million transactions. The numbers speak for themselves.

Please give SB322 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