Testimony in Opposition of LDs 1597 and 1907:
A set of bills to limit dynamic pricing

Senator Curry, Representative Gere, and the distinguished members of the Committee on Housing and Economic Development, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to these bills.

Maine Policy Institute stands for policies that encourage free enterprise, promote individual choice, and reduce unnecessary government intrusion into the marketplace. These bills, though well-intentioned, represent an unwarranted and highly unusual intrusion into everyday business operations, hindering both consumers and small businesses at a time when flexibility is more essential than ever.

At its core, dynamic pricing — adjusting prices based on factors like demand, time of day, or weather conditions — is simply a modern version of the oldest marketplace principle: supply and demand. This bill would turn back the clock on pricing practices used not only by massive corporations but also by your local diner and corner grocery store. Under LD 1597, it seems a lobster shack couldn't even lower prices for a Tuesday special if a sudden surplus of lobster appeared — unless they somehow guessed it in advance.

The bill tries to carve out exceptions for "happy hour" or "early bird" deals, but the language itself is so convoluted that enforcement could lead to absurd, even comedic, scenarios:

- Will we require grocery stores to lock in the price of ice during a July heatwave, even if supply runs low?
- Would a pizza shop be in violation if it offered a spontaneous half-price deal during a rainstorm to attract more customers off the street?
- Must a restaurant post tomorrow's chowder price today, no matter if the fisherman bringing in the clams calls in sick? Or brings in twice his normal yield, encouraging a price reduction?

In short, the bill penalizes spontaneity, punishes flexibility, and micromanages an incredibly dynamic sector of our economy. Worse, it exposes small businesses to potential accusations of "unfair trade practices" for simply reacting to market conditions. This regulatory overreach would add uncertainty and fear to ordinary business decisions.

At a time when Maine's rural and urban businesses alike are adapting to volatile costs and consumer habits, the last thing they need is government-mandated price rigidity.

States that have succeeded economically, such as Florida,[1] Texas,[2] and New Hampshire,[3] have done so by unleashing the creativity of their businesses, not shackling them to bureaucratic pricing schedules.

LD 1907 issues

LD 1907 has many of the same problems as LD 1597, though it makes several alterations to the policy proposal. Firstly, it does not apply to eating establishments, only grocery stores, which at least limits its impact. Additionally, it only limits dynamic pricing during severe weather conditions, natural disasters, or other events causing sudden increased demand for goods or services.

On the other hand, instead of only allowing price changes once a business day, it increases this to once every 48 hours, meaning a store may have to wait more than two days to change the prices of a good in specific scenarios. Additionally, even when using dynamic pricing during a nonemergency period, this bill would require signage posted in the stores explaining the law and the business's reasons for using dynamic pricing.

This is again incredibly burdensome, and the limitations it places do little to account for the variety of justifiable reasons business owners may change their pricing. For example, if a grocery store has a preexisting early bird special sale at certain times of the day, such sales wouldn't be allowed if a storm is nearby.

If a widespread panic has led many to attempt to stock up on hundreds of rolls of toilet paper, stores can't respond by discouraging customers from buying the entire stock through increased prices. Finally, in the case of a kindhearted business owner *reducing* their prices to make those who need things like food during a time where money may be scarce, these bills would again limit their ability to do so.

Lastly, the bill's wording is concerningly vague since it applies to events that "can cause a sudden increased demand for goods or services," including supply chain disruptions. So, not only does this bill appear to trigger when a certifiable rapid increase in demand occurs, but also during events where it *can* occur, creating potential confusion for stores

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[1] https://www.expansionsolutionsmagazine.com/floridas-economic-momentum-a-national-model-for-prosperity-and-innovation/

[2] https://www.txbiz.org/2025/03/04/cutting-red-tape-and-fueling-growth-for-texas-small-businesses/

[3] https://www.forbes.com/sites/adammillsap/2023/11/14/new-hampshire-is-top-state-for-economic-freedom/

and courts applying the law. Almost any event *can* lead to increased demand, so this bill could be wider-reaching than intended.

Conclusion

In conclusion, dynamic pricing is not a threat to consumers; it is a tool that can benefit them by offering competitive and flexible pricing, sometimes lower than what it otherwise would be. It is the free market at work. Lastly, if stores can't increase or reduce their prices throughout the day, they will likely set their prices higher, not lower, increasing Mainers' overall cost of living. LD 1597 is a solution in search of a problem — and a solution that would only create new, unnecessary issues in the process.

For these reasons, we strongly recommend that the committee vote "Ought Not to Pass" on these bills. Thank you for your time and consideration.