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February 27, 2025

Senator Chip Curry, Chair Representative Traci Gere, Chair Members of the Housing and Economic Development Committee

RE: Testimony in OPPOSITION to LD 414, An Act to Prohibit Deceptive Pricing

Dear Senator Curry, Representative Gere and members of the Housing and Economic Development Committee:

The Maine Grocers & Food Producers Association and the Retail Association of Maine are providing joint testimony on *LD 414*, *An Act to Prohibit Deceptive Pricing*. Our business trade associations represent Main Street businesses including independently owned and operated grocery stores and supermarkets, general merchandise and specialty retailers, convenience stores, distributors, and supporting partners — together representing more than 450 members statewide. Maine's retail sector employs more than 85,000 Mainers.

While the intent to enhance price transparency and protect consumers from deceptive practices is commendable, the bill's current language may lead to unintended consequences that could adversely affect both businesses and consumers in Maine.

For example, retail discounts and loyalty programs. Many retailers offer customers discounts (e.g., 5% off) at the point of sale. It's unclear how these discounts should be presented under the new law. Must advertised prices reflect potential discounts, or should they display pre-discount prices? This ambiguity could lead to inconsistent pricing displays and confusion for consumers.

Additionally, businesses often provide rewards programs where customers accumulate points for future discounts. The bill does not specify how these earned benefits should be disclosed in pricing, potentially complicating the perceived value of such programs.

Items like smartphones or software may have additional activation or subscription fees. The requirement to include all mandatory fees in the advertised price could lead to inflated price displays, deterring potential customers who might not differentiate between the product's base price and its associated services.

Retailers and restaurants often partner with third-party delivery services that set their own fees. Since these charges are determined by external entities, it's challenging for businesses to incorporate them into advertised prices accurately. This could result in either underestimating or overestimating costs, leading to customer dissatisfaction.

Telecommunication companies often bundle services (e.g., internet, cable, phone) at discounted rates. Clarification is needed on whether each component's mandatory fees must be individually disclosed or if the bundled price suffices.

To address these concerns, I recommend the following:

- Clarify Definitions: Clearly define what constitutes "mandatory fees or charges" to distinguish between unavoidable costs and optional add-ons.
- **Industry-Specific Guidelines:** Develop tailored guidelines for different sectors to account for unique pricing models and practices.
- Stakeholder Engagement: Engage with businesses, consumer advocates, and industry experts to understand practical implications and refine the bill accordingly.

In conclusion, while the goal of preventing deceptive pricing is important, it's crucial to ensure that the legislation is precise and considers the diverse nature of business practices to avoid unintended negative impacts. I urge the committee to consider these points and work towards a balanced approach that safeguards consumer interests without imposing undue burdens on businesses.

For these reasons, we respectfully urge the committee to reject this proposal. Thank you for your time and consideration. I am happy to answer any questions the committee may have.

Curtis Picard, President & CEO, Retail Association of Maine

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