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THE MAINE SENATE
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***Testimony of Senate President Mattie Daughtry introducing
LD 1907, "An Act to Protect Consumers from Unfair Dynamic Pricing in Grocery Stores"
Before the Joint Standing Committee Housing and Economic Development***

Senator Curry, Representative Gere and esteemed members of the Housing and Economic Development Committee, my name is Mattie Daughtry, and I proudly serve as President of the Maine State Senate, where I am honored to represent Senate District 23, which includes Brunswick, Freeport, Harpswell, Pownal, Chebeague Island and part of Yarmouth. I am here today to present LD 1907, "An Act to Protect Consumers from Unfair Dynamic Pricing in Grocery Stores."

This legislation is a proactive measure aimed at protecting consumers in Maine from the abusive practices of dynamic pricing that have recently emerged in grocery stores across the nation.

Dynamic pricing involves adjusting the prices of goods based on various factors, often in real-time. While some industries have legitimately adopted this pricing strategy, we are witness troubling evidence of its misuse, particularly in grocery retail. Reports from states such as California and Virginia indicate that grocery stores are raising prices during peak shopping hours – often after 5 PM – when families are most likely to be purchasing food after work¹. This practice allows retailers to exploit increased demand without regard for consumer fairness.

The digital nature of modern pricing – with electronic shelf labels that allow for instantaneous price changes – has removed barriers that once existed to uphold price transparency. While this technology can streamline operations for grocery stores, it also opens the door for retailers to manipulate prices to extract maximum profits at a time when households already face significant economic stress. Notably, lawmakers have raised concerns that companies like Kroger could use data analytics and even facial recognition to further personalize prices, potentially penalizing loyal customers with higher charges during peak recreational times, such as immediately after major events.

Although we have not yet encountered the full weight of dynamic pricing issues here in Maine, we must act now to prevent such practices from taking root in our communities. The emergence of big-box retailers adopting these strategies elsewhere in the country presents a clear challenge to consumer trust in our grocery supply systems. We must ensure that Maine does not become a

¹ <https://www.lexisnexis.com/community/insights/legal/capitol-journal/b/state-net/posts/state-lawmakers-wrestle-with-predictive-pricing>

victim of these exploitative practices.

LD 1907 amends the Unfair Sales Act to prohibit grocery stores from using dynamic pricing to electronically change the prices of items more than once within a 48-hour period during severe weather events, natural disasters, or any disruption in the supply chain that could lead to increased demand. This carefully crafted approach not only protects consumers during emergencies but also allows for the responsible use of dynamic pricing in non-urgent situations, provided that grocery stores give clear notice to consumers through conspicuous signage.

Any violation of this bill would be classified as an unfair trade practice and subject to penalties under the Maine Unfair Trade Practices Act.

In this time of rising costs and economic uncertainty, we must prioritize the protection of our consumers and ensure that access to basic necessities is preserved. By passing LD 1907, we can take a stand against pricing practices that unfairly burden Maine families. I urge you all to support this important legislation for the sake of our community and its well-being.

Thank you.