



Maryland Chamber of Commerce

Legislative Position

**SB 707
OPPOSE**

**Finance
Committee
3/4/09**

SB 707

Price Controls - Essential Goods and Services

Bill Summary: This bill would authorize the Governor to impose price controls on a wide variety of goods and services during a state of emergency.

Chamber Position: We are appreciative of the efforts of the Office of the Attorney General in working with us to address our longstanding concerns with this legislation. Several of our suggestions have been incorporated into this bill. However, the Maryland Chamber of Commerce remains opposed to the bill because price controls serve no useful public purpose, and the bill still contains the right of private action (page 5, lines 19 – 23) by which individuals will sue retailers. At a time when the marketplace is demanding additional product, this bill would divert product to other markets that did not have such price controls.

A Wall Street Journal article from 2005 (attached) reviewed the experience in the 29 other states that have passed legislation on this subject, noting that charges are rarely brought under such laws. There is no evidence that such laws have any impact on market conduct. However, there is considerable evidence of such laws being used by overzealous prosecutors for shake-down lawsuits against small business owners.

For these reasons, the Maryland Chamber urges that this bill again be given an unfavorable report.

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