

Legislature approves Wiggins bill on gas price postings

Contributed by Editor
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SACRAMENTO — The California Legislature has approved Senate Bill 623, legislation by Sen. Patricia Wiggins (D-Santa Rosa) to require each retail dispenser of motor fuel to provide adequate notice to consumers of price differentials or discounts.

The Senate voted 21-15 in favor of the bill Thursday. The Assembly previously approved SB 623 on Aug. 12, meaning the fate of the measure will soon be in the hands of Gov. Arnold Schwarzenegger.

"Some gasoline stations are offering different prices for gasoline based on the method of purchase, with discounts for cash transactions," Wiggins said. "This is mainly because credit cards add about 2 to 3 percent to the cost of the transaction — an extra sum passed on to the customer for the convenience of using plastic at the pump."

With high gas prices and low profit margins, some gas station owners seek to encourage customers to use cash to reduce the amount of mandatory fees that station owners pay to banks that issue credit and debit cards.

Merchants pay a percentage of the sales paid with plastic (with gas station owners paying 1.5 percent to 3 percent of credit and debit card sales in fees). For example, a 2-percent fee means a station owner paid four cents per gallon when gas cost \$2 a gallon and eight cents a gallon when gas hit \$4.

"Drivers should be clearly shown what they're paying, especially when prices are high," Wiggins said. "I think some station owners can do a better job of telling consumers that they'll pay a lower price for gas if they use cash. SB 623 simply says that if a gas station owner charges different prices for the identical fuel based on payment method, he or she needs to place a notice on each pump so that consumers can make an informed choice."

She added that adequate posting of prices will benefit station owners, too, as consumers may be more inclined to make cash purchases.

For more information on this bill or other legislation authored by Senator Wiggins, please visit her Web site, <http://dist02.casen.govoffice.com/>.

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