

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1101 (Delegate Barkley)
Economic Matters

Alcoholic Beverages - Advertising Regulations

This bill generally prohibits a licensed retailer from possessing on its premises any advertising items for the wine or distilled spirits products of a specified alcoholic beverages brand owner with a total value greater than \$450. However, the Comptroller may authorize a specific licensed retailer to possess advertising items with a total value greater than that amount if the total value of the items does not exceed \$600. The bill prohibits an alcoholic beverages brand owner, supplier, wholesaler, or other third party acting as the agent of a brand owner from sponsoring, organizing, or participating in more than 24 promotional activities for wine or distilled spirits products for the same licensed retailer in a calendar year. The bill also prohibits the Comptroller from adopting rules and regulations that impose different limitations regarding the furnishing of table tents or table umbrellas to a licensed retailer by a wine and spirits supplier, wine and spirits licensed wholesaler, beer supplier, or beer licensed wholesaler.

Fiscal Summary

State Effect: None. State finances are not affected. The Comptroller's Office can enforce the bill's provisions with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The Comptroller is directed and empowered to make, amend, alter, and publish rules and regulations for the proper enforcement of its duties.

The Comptroller is authorized to adopt rules and regulations regarding (1) labeling and advertising similar to those adopted by the Federal Bureau of Alcohol, Tobacco and Firearms; (2) the nature, form, and capacity of all containers; (3) credit sales; (4) the records to be kept by licensees and others engaged in the business; and (5) other subjects as deemed necessary for the proper administration of the Comptroller's duties.

Current regulations provide that the total cost of advertising items for products produced by a given brand owner on the premises of a given licensed retailer may not exceed \$450 by a brand owner of wine or distilled spirits.

Any violation of any rule or regulation adopted by the Comptroller, or under the provisions of State law that relate to the alcoholic beverages tax, is grounds for license revocation or suspension. Additionally, the offender is deemed guilty of a misdemeanor and upon conviction is subject to a penalty of up to \$1,000 and/or imprisonment for up to two years.

Additional Information

Prior Introductions: None.

Cross File: SB 859 (Senator Kasemeyer) - Education, Health, and Environmental Affairs.

Information Source(s): Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2014
ncs/lgc

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