

Article - Commercial Law

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§13–305.

(a) This section does not apply to:

(1) Trading stamps, as defined by § 13–101 of the Business Regulation Article;

(2) State lottery tickets issued under the authority of Title 9, Subtitle 1 of the State Government Article;

(3) Retail promotions, not involving the offer of gifts and prizes, which offer savings on consumer goods or services including “one-cent sales”, “two-for-the-price-of-one-sales”, or manufacturer’s “cents-off” coupons;

(4) Games of skill competition not involving sales promotion efforts; or

(5) A savings promotion raffle conducted by a credit union under § 6–716 of the Financial Institutions Article or by a depository institution under § 1–211 of the Financial Institutions Article.

(b) A person may not notify any other person by any means, as part of an advertising scheme or plan, that the other person has won a prize, received an award, or has been selected or is eligible to receive anything of value if the other person is required to purchase goods or services, pay any money to participate in, or submit to a sales promotion effort.

(c) In addition to the exceptions provided in subsection (a) of this section, subsection (b) of this section does not prohibit the offer of prizes requiring the person to purchase other goods and services if the retail price of the prize offered does not exceed the greater of:

(1) \$40; or

(2) The lesser of:

(i) 20% of the purchase price of the goods or services that must be purchased; or

(ii) \$400.

(d) The exception provided in subsection (c) of this section does not apply to the offer of a prize requiring the person either to pay any money to participate in or to submit to a sales promotion effort, or to a prize promotion involving the award of prizes by chance.

(e) When a person offers prizes in a sales promotion effort relating to the sale, lease, or rental of real property not prohibited by this section, that person shall disclose to each offeree, in writing, clearly and conspicuously:

(1) That the purpose of the sales promotion effort is to solicit the purchase, lease, or rental of real property;

(2) The exact number of each prize offered in each category to be made available during the sales promotion;

(3) The manufacturer's suggested retail price or comparable retail price of each prize offered;

(4) (i) If calculable in advance, the odds against winning each prize; or

(ii) If not calculable in advance, a statement to that effect, or that the odds of winning will be determined by the number of entries;

(5) Whether all prizes offered will be awarded and when a determination of winners will be made; and

(6) If prizes with retail prices or monetary values in excess of \$100 are offered, where and when a list of winners of those prizes can be obtained.

(f) Where provisions of law or regulations relating to the awarding of prizes in the sale, lease, or rental of real property exist, including § 11A–119 of the Real Property Article, the provisions of those laws or regulations shall apply if the provisions are more stringent than this section.

(g) If a person offers a contest, sweepstakes, or other sales promotion effort not prohibited by this section, involving the award of prizes by chance, that person shall disclose to each offeree in writing:

(1) The exact number of each prize offered in each category to be made available during the contest, sweepstakes, or sales promotion;

(2) The manufacturer's suggested retail price, or comparable retail price, of each prize offered;

(3) If calculable in advance, the odds against winning each prize and if not calculable in advance, a statement that the odds of winning will be determined by the number of entries;

(4) Whether all prizes offered will be awarded and when a determination of winners will be made;

(5) What, if any, conditions must be met in order to receive a prize;

(6) If prizes with retail prices or monetary values in excess of \$100 are offered, where and when a list of winners of those prizes can be obtained; and

(7) That in order to receive the prize offered in the sales promotion you may not be required to:

(i) Purchase goods or services;

(ii) Pay any money; or

(iii) Where applicable, submit to a sales promotion effort.

(h) If a person offers a contest, sweepstakes, or other sales promotion effort not prohibited by this section, not involving the award of prizes by chance, that person shall disclose to each offeree in writing:

(1) The manufacturer's suggested retail price, or comparable retail price of each prize offered;

(2) What, if any, conditions must be met in order to receive a prize; and

(3) That in order to receive the prize offered in the sales promotion you may not be required to:

(i) Purchase goods or services, unless the retail price of the prize is within the limits set by subsection (c) of this section;

(ii) Pay any money; or

(iii) Where applicable, submit to a sales promotion effort.

(i) The disclosures shall appear on the first page of the prize notification document.

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