

## Article - Alcoholic Beverages

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§12–104.

(a) (1) In this section the following words have the meanings indicated.

(2) “Business entity” means any holder of a manufacturer’s or wholesaler’s license, or anyone connected with the business of the holder, or any distiller, nonresident dealer, resident dealer, brewer, rectifier, blender or bottler of alcoholic beverages.

(3) “Sign” means any sign, display, poster, placard, or other form of advertisement, whether graphic or not.

(b) (1) A business entity may not have any financial interest in the premises upon or in which any alcoholic beverage is sold at retail by any licensee or in any business conducted by any licensee.

(2) A person or business entity, or anyone connected with that person or business entity, may not lend any money or other thing of value, make any gift, or offer any gratuity to any retail dealer.

(3) Except as provided for, a retail dealer may not accept, receive or make use of any money, gift, or sign furnished by any business entity or become indebted to any person except for the purchase of alcoholic beverages and allied products purchased for resale.

(4) A business entity, other than a wholesaler of beer and malt beverages, may not furnish any sign, except as provided in this article.

(c) (1) The provisions of this subsection apply only to brewed products.

(2) Subject to paragraph (3) of this subsection, a brewer, nonresident dealer, resident dealer, or beer wholesaler may not furnish any sign over \$150 in value to the holder of any retail license issued under the provisions of this article where the sign advertises the beer or malt products of a particular brewer, nonresident dealer, resident dealer, or beer wholesaler.

(3) A sign that is manufactured by a beer wholesaler and furnished to the holder of any retail license issued under this article may not be over \$50 in value to the holder of the retail license where the sign advertises the beer or malt products of the beer wholesaler.

(4) The sign shall contain brand identifiable advertising matter that is prominent, permanent, and equal to the life and value of the utilitarian character of the advertising item.

(d) (1) The provisions of this subsection apply only to wine and distilled spirits products.

(2) Signs bearing advertising matter or any other forms of advertising for use in windows or elsewhere on a retail liquor establishment may be given or furnished to a retailer by a brand owner who is engaged in the business of a business entity, if:

(i) The utilitarian value is secondary and only incidental to the value as an advertisement;

(ii) The total value of any item furnished by any brand owner for each of its individual brands for use in any one retail establishment at any one time does not exceed the sum of \$150 for each individual brand; and

(iii) The cost of installation of these materials does not exceed that which is usual and customary in that particular locality.

(3) (i) In lieu of premanufactured advertising material, materials and labor may be furnished by a brand owner for the custom manufacture of an advertising display not exceeding \$150 which is temporary in nature and has no other utilitarian value.

(ii) A manufacturer, nonresident dealer, resident dealer, or brand owner may not undertake any plan or design which directly or indirectly results in the purchase of advertising materials or supplies or advertising services by any wholesale or retail licensee; neither may a wholesale or retail licensee participate directly or indirectly in any transaction in which he pays for or shares in the cost for any of the value of the advertising materials, supplies, services, or mailing expenses utilized to promote a brand owner's products.

(iii) These provisions do not prevent a wholesale licensee from furnishing brand owners with display materials and installation services at charges, computed at not less than the fair market value for these services.

(e) (1) The provisions of subsections (b) and (d) of this section do not apply to a holder of a Class 3 or Class 4 winery manufacturer's license who is issued a Class A2 light wine on- and off-sale license in Baltimore City with respect to the wine manufactured or bottled on the winery premises.

(2) The provisions of subsections (b) and (c) of this section do not apply to the holder of a Class 6 pub-brewery license with respect to the malt beverages brewed on the premises of the pub-brewery.

(3) The provisions of subsections (b) and (c) of this section do not apply to a holder of a Class 7 micro-brewery license with respect to the malt beverages brewed on the premises of the micro-brewery for the purpose of being licensed as a retailer for selling on the brewery licensed premises or in a restaurant or brewery pub owned, conducted, and operated by the holder in or adjacent to the brewery for which it is

licensed.

(4) In addition to the retail license required under § 2–207 or § 2–208 of this article, a Class 6 pub–brewery licensee or a Class 7 micro–brewery licensee may hold or have a financial interest in one additional retail alcoholic beverages license that does not apply to premises to which a Class 6 pub–brewery license or Class 7 micro–brewery license applies.

(5) (i) This paragraph applies only in Wicomico County.

(ii) Subject to subparagraph (iii) of this paragraph, the Comptroller may issue one Class 6 pub–brewery license or one Class 7 micro–brewery license, but not both, to a person that holds not more than five Class B beer, wine and liquor licenses.

(iii) A Class 6 pub–brewery license or a Class 7 micro–brewery license issued under subparagraph (ii) of this paragraph may be issued only for a location in an enterprise zone.

(iv) Notwithstanding subsection (b)(1) of this section, a holder of a Class A license may also hold a Class 7 micro–brewery license and not more than five Class B beer, wine and liquor licenses under this paragraph.

(6) (i) The State Comptroller may issue to a single applicant one Class 6 pub–brewery license or one Class 7 micro–brewery license but not both for a location in an enterprise zone in Dorchester County, if the applicant holds no more than three Class B beer, wine and liquor licenses.

(ii) This paragraph does not limit the number of Class 6 pub–brewery licenses or Class 7 micro–brewery licenses that the State Comptroller may issue in Dorchester County.

(7) (i) This paragraph applies only in Howard County.

(ii) The Comptroller may issue one Class 8 farm brewery license to a person that holds not more than two Class B beer, wine and liquor licenses.

(f) Notwithstanding the provisions of subsection (b)(1) of this section, a holder of a Class 6 limited wine wholesaler’s license may have a financial interest in up to one Class A licensed premises authorized under Title 4, Subtitle 2 of this article.

(g) Any person who violates the provisions of this section shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 2 years, or both.

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