

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 555 (Senator Cassilly)

Finance and Education, Health, and  
Environmental Affairs

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**Consumer Protection - Unit Pricing - Alcoholic Beverages**

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This bill subjects the sale of alcoholic beverages to the State's unit price disclosure requirements.

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**Fiscal Summary**

**State Effect:** The bill's imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General (OAG), Consumer Protection Division, can handle the bill's requirements with existing resources.

**Local Effect:** The bill's imposition of existing penalty provisions does not have a material impact on local government finances or operations.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** "Unit price" is defined as the retail price of an item expressed in dollars and cents per unit. In addition to any units commonly in use in the United States, other specified units (such as per quart or per liter) may be used if appropriate.

*Required Disclosures*

Unless specifically exempted, each person who sells (or offers or displays for sale) a consumer commodity at retail must disclose:

- the total price of the consumer commodity; or
- the unit price of the consumer commodity if (1) it is sold only by units or (2) it is a prepackaged or retail-packaged consumer commodity within specified categories.

If a packaged consumer commodity is priced for a multiple-package purchase, the seller must disclose the unit price of that commodity on the basis of the multiple package.

A person is not required to disclose the unit price of consumer commodities if doing so would result in disclosing unit prices for 90% or more of the dollar volume (or number of items) of all of the person's consumer commodities that are subject to disclosure requirements.

### *Exemptions*

Certain items are exempt from disclosure requirements, including:

- prepackaged food which contains separately identifiable items that are separated by physical division within the package;
- any item sold only by prescription;
- any item subject to the packaging or labeling requirements under federal law;
- any item actually being sold through a vending machine;
- any item delivered directly to a retail sales agency without passing through warehousing or other inventory facility used by the agency; or
- specified retail sales agencies.

### *Rules and Regulations; Enforcement*

OAG is authorized to adopt rules and regulations related to unit pricing. If OAG has reason to believe that a sales agency has violated any provisions of law related to unit pricing (or any related rule or regulation), OAG may institute a proceeding under the Maryland Consumer Protection Act (MCPA).

### *Maryland Consumer Protection Act*

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of

consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

**Background:** According to a [2015 report](#) by the National Institute of Standards and Technology (within the U.S. Department of Commerce), there is no federal mandate that requires unit pricing. At that time, nine states had mandatory unit pricing regulations (Connecticut, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Oregon, Rhode Island, Vermont, and the District of Columbia). In addition, some counties or cities within a state may also have unique requirements, regardless of whether the state has mandatory unit pricing.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; National Institute of Standards and Technology (U.S. Department of Commerce); Department of Legislative Services

**Fiscal Note History:** First Reader - March 10, 2020  
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