

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulation  
Comptroller of the Treasury  
(DLS Control No. 14-170)**

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**Overview and Legal and Fiscal Impact**

This regulation provides that the Comptroller may authorize, on a case by case basis, an increased amount for the total cost of advertising items a brand owner of certain products may provide a licensed retailer. In addition, the regulation repeals the prohibition against providing umbrellas advertising wine and distilled spirits to licensed retailers.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

**Regulation of COMAR Affected**

**Comptroller of the Treasury:**

Alcohol and Tobacco Tax: Alcoholic Beverage Trade Practices: COMAR 03.02.05.10

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**Legal Analysis**

**Background**

The regulation amends COMAR 03.02.05.10 concerning on-premises advertising of certain alcoholic beverages. The Comptroller's Office indicates that the purpose of these amendments is to standardize advertising trade practices and reflect the cost of technology for the alcoholic beverage industry.

**Summary of Regulation**

A brand owner of wine or distilled spirits may currently provide up to \$450 in advertising items to a retailer. The regulation amends subsection .10A(2) to provide that the Comptroller may authorize, on a case by case basis, a brand owner of wine or distilled spirits to provide up to \$600 for advertising items on a licensed retailer's premises. The regulation specifies that the Comptroller may establish additional requirements related to this authorization.

The regulation also repeals the prohibition against providing umbrellas advertising wine and distilled spirits to licensed retailers. A brand owner may provide a licensed retailer up to 12 umbrellas advertising alcoholic beverages or nonalcoholic beer products under certain circumstances.

## **Legal Issue**

The regulation presents no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The Office of the Comptroller cites §§ 16-301 and 16-302 of Article 2B as authority for the regulation. More specifically, § 16-301(a) grants the Comptroller authority to adopt regulations necessary to effectively discharge the duties imposed on the Comptroller under the article. In addition, § 16-302 authorizes the Comptroller to publish regulations for the enforcement of the Comptroller's duties, including regulations concerning labeling and advertising.

## **Technical Corrections and Special Notes**

As submitted, the notice of proposed action and statement of purpose did not reflect the repeal of the prohibition against providing umbrellas advertising wine and distilled spirits to licensed retailers. The Comptroller's Office has indicated it will revise the statements accordingly.

## **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

### **Agency Estimate of Projected Fiscal Impact**

The Comptroller's Office advises that the regulation standardizes certain advertising trade practices and does not have a fiscal impact. The Department of Legislative Services concurs.

### **Impact on Budget**

There is no impact on the State operating or capital budget.

### **Agency Estimate of Projected Small Business Impact**

The Comptroller's Office advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

## **Contact Information**

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