

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/18/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 7/25/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

03 02 05 10

3. Name of Promulgating Authority

Comptroller of Maryland

4. Name of Regulations Coordinator

Sukanya Mukherjee

Telephone Number

410-260-7494

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80 Calvert Street

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Annapolis MD 21401

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smukherjee@comp.state.md.us

5. Name of Person to Call About this Document

Sukanya Mukherjee

Telephone No.

(410) 260-7494

Email Address

smukherjee@comp.state.md.us

6. Check applicable items:

New Regulations

X- Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: 06/17/2014.

- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:

: Md. R
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Sukanya Mukherjee, General Counsel, (telephone #(410) 260-7494) on 06/17/2014. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Jeff Kelly

Title

Director

Date

06/17/2014

Telephone No.

(410) 260-7388

Title 03

COMPTROLLER OF THE TREASURY

Subtitle 02 ALCOHOL AND TOBACCO TAX

03.02.05 Alcoholic Beverage Trade Practices

Authority: Article 2B, §16-301 and 16-302, Annotated Code of Maryland

Notice of Proposed Action

□

The Comptroller of the Treasury proposes to increase amounts for the total cost of advertising for certain products.

Statement of Purpose

The purpose of this action is to Standardize certain advertising trade practices and reflect the cost of technology to the alcohol industry.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

There would be minimal impact. It would be up to alcohol wholesalers to decide on how much they want to spend on advertising products.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+)	Magnitude
	Cost (-)	
D. On regulated industries or trade groups:	NONE	
(1)	(+)	Minimal
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D(1). There could be an increase in revenues if retailers are allowed to advertise more.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Sukanya Mukherjee, Staff Attorney, Comptroller of Maryland Field Enforcement Division, 80 Calvert Street, Annapolis, MD 21404, or call 410-260-7494, or email to smukherjee@comp.state.md.us, or fax to 410-974-5564. Comments will be accepted through July 12, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2014

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No funds are needed

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

These regulations may have minimal impact on small businesses depending on how much wholesalers and retailers decide to spend on advertising.

G. Small Business Worksheet:

1a. Intended Beneficiaries - The beneficiaries of this regulation are all three tiers of the alcohol industry, which consist of primarily businesses.

1b. N/A.

1c. Intended Beneficiaries: Businesses. - Wholesalers and retailers are the primary beneficiaries but there could be an impact for manufacturers who see their product become more popular with advertising.

2a. Adverse Impacts - There are no adverse impacts. It is up to the discretion of wholesalers and retailers if they want to partake in advertising or increase their

advertising.

2b. Positive Impacts - Positive impacts include brand recognition and recognition of certain retail establishments. Recognition of certain brands which could help small retailers and wholesalers bring in new consumers.

3. Long Term Impacts - Long term impacts include growth of the industry and allowing liquor and wine to advertise similar to beer.

4. Estimates of Economic Impact - There are no exact estimates of economic impact at this time.

Attached Document:

Title 03 COMPTROLLER OF THE TREASURY

Subtitle 02 ALCOHOL AND TOBACCO TAX

Chapter 05 Alcoholic Beverage Trade Practices

Authority: Article 2B, §16-301 and 16-302, Annotated Code of Maryland

10. On-Premise Advertising

A. In General

(1) (text unchanged)

(2) *Generally, 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. However, on a case by case basis, the Comptroller may authorize total cost of up to \$600 for advertising items by a given brand owner and may establish additional requirements of such authorization.*

(3)—(6) (text unchanged)

B.—E. (text unchanged)

F. Umbrellas

[(1) Umbrellas advertising wine and distilled spirits may not be furnished to a licensed retailer.]

[(2)] (1) A brand owner may furnish for display and use by a licensed retailer up to a total of 12 advertising [beer] alcoholic beverages or nonalcoholic beer products, if:

(a) Each umbrella costs \$50 or less; and

(b) No single brand is represented by more than six umbrellas.

[(3)] (2) Umbrellas permitted under this section shall be displayed on the licensed retailer's premises.

[(4)] (3) Umbrellas removed from the licensed retailer's premises may be returned to the brand owner.