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**By: Delegates Minnick, Donoghue, Love, and V. Mitchell**

Introduced and read first time: February 1, 1996

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 12, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Alcoholic Beverages - Value of Advertising**

3 FOR the purpose of altering the maximum amount certain brandowners may spend on  
4 certain advertisements; altering the maximum amount certain brandowners may  
5 spend on materials and labor for certain advertisements; and generally relating to  
6 the advertising of alcoholic beverages.

7 BY repealing and reenacting, with amendments,  
8 Article 2B - Alcoholic Beverages  
9 Section 12-104(a) and (b)  
10 Annotated Code of Maryland  
11 (1994 Replacement Volume and 1995 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article 2B - Alcoholic Beverages**

15 12-104.

16 (a) It shall be unlawful for any holder of a manufacturer's or wholesaler's license,  
17 or anyone connected with the business of the holder, or any distiller, nonresident dealer,  
18 brewer, rectifier, blender or bottler of alcoholic beverages to have any financial interest in  
19 the premises upon or in which any alcoholic beverage is sold at retail by any licensee, or  
20 in any business conducted by the licensee; and it shall be unlawful also for any person or  
21 anyone connected with his, its or their business, to lend any money or other thing of  
22 value, or make any gift or to offer any gratuity to any retail dealer, and it shall be unlawful  
23 also for any brewer or beer wholesaler to furnish any sign, display or other form of  
24 advertisement of any value in excess of \$50, advertising the beer or malt beverage

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1 products of a particular wholesaler or brewer to the holder of any retail license issued  
2 under the provisions of this article. The sign, display, or other form of advertisement must  
3 contain brand identifiable advertising matter that is prominent, permanent, and equal to  
4 the life and value of the utilitarian character of the advertising item. Except as provided  
5 for, a retail dealer may not accept, receive or make use of any money, gift, sign or display  
6 furnished by any manufacturer or wholesaler, or any distiller, brewer, rectifier,  
7 nonresident dealer, blender or bottler, or become indebted to any person except for the  
8 purchase of alcoholic beverages and allied products purchased for resale. It shall be  
9 unlawful also for any manufacturer, distiller, nonresident dealer, rectifier, blender or  
10 bottler, or wholesaler of alcoholic beverages other than beer and malt beverages to  
11 furnish any sign, display or other form of advertisement of value except as hereinafter  
12 provided. Signs, posters, placards, devices, graphic displays, bearing advertising matter or  
13 any other forms of advertising for use in windows or elsewhere on a retail liquor  
14 establishment may be given or furnished to a retailer by a brandowner who is engaged in  
15 the business as a distiller, nonresident dealer, rectifier, blender, bottler or wholesaler of  
16 alcoholic beverages other than beer and malt beverages provided:

17 (1) The utilitarian value is secondary and only incidental to the value as an  
18 advertisement, and provided:

19 (2) The total value of any item furnished by any brandowner for each of its  
20 individual brands for use in any one retail establishment at any one time does not exceed  
21 the sum of [75] \$150 for each individual brand, and provided:

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

24 (b) In lieu of premanufactured advertising material, materials and labor may be  
25 furnished by a brandowner for the custom manufacture of an advertising display not  
26 exceeding [75] \$150 which is temporary in nature and has no other utilitarian value. A  
27 manufacturer or nonresident dealer or brandowner may not undertake any plan or design  
28 which directly or indirectly results in the purchase of advertising materials or supplies or  
29 advertising services by any wholesale or retail licensee; neither shall a wholesale or retail  
30 licensee participate directly or indirectly in any transaction in which he pays for or shares  
31 in the cost for any of the value of the advertising materials, supplies, services, or mailing  
32 expenses utilized to promote a brandowner's products; nothing contained herein is  
33 intended to prevent a wholesale licensee from furnishing brandowners, as defined, with  
34 display materials and installation services at charges, computed at not less than the fair  
35 market value for these services. Any person violating any of the provisions of this section  
36 shall, upon conviction, be punished by a fine of not more than \$1,000 or by imprisonment  
37 for not more than two years or by both fine and imprisonment in the discretion of the  
38 court.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
40 October 1, 1996.

