
By: Senator Astle

Introduced and read first time: February 2, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Prizes and Gifts**

3 FOR the purpose of repealing a certain provision of law that prohibits a person from
4 notifying another person, as part of an advertising scheme or plan, that the other
5 person has won a prize, received an award, or has been selected to receive anything
6 of value if the other person is required to purchase goods or services, pay money to
7 participate in, or submit to a sales promotion effort.

8 BY repealing and reenacting, with amendments,
9 Article - Commercial Law
10 Section 13-305
11 Annotated Code of Maryland
12 (1990 Replacement Volume and 1995 Supplement)

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

15 **Article - Commercial Law**

16 13-305.

17 (a) This section does not apply to:

18 (1) Trading stamps, as defined by § 13-101 of the Business Regulation
19 Article;

20 (2) State lottery tickets issued under the authority of Title 9, Subtitle 1 of
21 the State Government Article;

22 (3) Retail promotions, not involving the offer of gifts and prizes, which offer
23 savings on consumer goods or services including "one-cent sales",
24 "two-for-the-price-of-one-sales", or manufacturer's "cents-off" coupons; or

25 (4) Games of skill competition not involving sales promotion efforts.

26 [(b) A person may not notify any other person by any means, as part of an
27 advertising scheme or plan, that the other person has won a prize, received an award, or
28 has been selected or is eligible to receive anything of value if the other person is required

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1 to purchase goods or services, pay any money to participate in, or submit to a sales
2 promotion effort.]

3 [(c)] (B) When a person offers prizes in a sales promotion effort relating to the
4 sale, lease, or rental of real property not prohibited by this subsection, that person shall
5 disclose to each offeree, in writing, clearly and conspicuously:

6 (1) That the purpose of the sales promotion effort is to solicit the purchase,
7 lease, or rental of real property;

8 (2) The exact number of each prize offered in each category to be made
9 available during the sales promotion;

10 (3) The manufacturer's suggested retail price or comparable retail price of
11 each prize offered;

12 (4) (i) If calculable in advance, the odds against winning each prize; or

13 (ii) If not calculable in advance, a statement to that effect, or that the
14 odds of winning will be determined by the number of entries;

15 (5) Whether all prizes offered will be awarded and when a determination of
16 winners will be made; and

17 (6) If prizes with retail prices or monetary values in excess of \$100 are
18 offered, where and when a list of winners of those prizes can be obtained.

19 [(d)] (C) Where provisions of law or regulations relating to the awarding of prizes
20 in the sale, lease, or rental of real property exist, including § 11A-119 of the Real
21 Property Article, the provisions of those laws or regulations shall apply if the provisions
22 are more stringent than this section.

23 [(e)] (D) If a person offers a contest, sweepstakes, or other sales promotion effort
24 not prohibited by this subsection, involving the award of prizes by chance, that person
25 shall disclose to each offeree in writing:

26 (1) The exact number of each prize offered in each category to be made
27 available during the contest, sweepstakes, or sales promotion;

28 (2) The manufacturer's suggested retail price, or comparable retail price, of
29 each prize offered;

30 (3) If calculable in advance, the odds against winning each prize and if not
31 calculable in advance, a statement that the odds of winning will be determined by the
32 number of entries;

33 (4) Whether all prizes offered will be awarded and when a determination of
34 winners will be made;

35 (5) What, if any, conditions must be met in order to receive a prize;

36 (6) If prizes with retail prices or monetary values in excess of \$100 are
37 offered, where and when a list of winners of those prizes can be obtained; and

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1 (7) That in order to receive the prize offered in the sales promotion you may
2 not be required to:

3 (i) Purchase goods or services;

4 (ii) Pay any money; or

5 (iii) Where applicable, submit to a sales promotion effort.

6 [(f)] (E) If a person offers a contest, sweepstakes, or other sales promotion effort
7 not prohibited by this subsection, not involving the award of prizes bychance, that person
8 shall disclose to each offeree in writing:

9 (1) The manufacturer's suggested retail price, or comparable retail price of
10 each prize offered;

11 (2) What, if any, conditions must be met in order to receive a prize; and

12 (3) That in order to receive the prize offered in the sales promotion you may
13 not be required to:

14 (i) Purchase goods or services;

15 (ii) Pay any money; or

16 (iii) Where applicable, submit to a sales promotion effort.

17 [(g)] (F) The disclosures shall appear on the first page of the prize notification
18 document.

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