
By: Senator Bromwell

Introduced and read first time: February 14, 1996

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Prizes and Gifts**

3 FOR the purpose of altering the exception, for certain retail promotions, to certain
4 provisions of law regulating offers of prizes and gifts conditioned on purchasing
5 goods or services or submitting to a sales promotion effort; clarifying language; and
6 generally relating to offers of prizes and gifts.

7 BY repealing and reenacting, with amendments,
8 Article - Commercial Law
9 Section 13-305
10 Annotated Code of Maryland
11 (1990 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 - Commercial Law**

15 13-305.

16 (a) This section does not apply to:

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

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

21 (3) Retail promotions[, not involving the offer of gifts and prizes,] which
22 offer savings on consumer goods or services, WHETHER OR NOT UNLIKE MERCHANDISE
23 OR SERVICES ARE COMBINED IN A SINGLE PROMOTION, including "one-cent sales",
24 ["two-for-the-price-of-one-sales"] "TWO-FOR-THE-PRICE-OF-ONE SALES",
25 MANUFACTURER'S OR RETAILER'S "FREE-WITH-PURCHASE SALES", or
26 manufacturer's OR RETAILER'S "cents-off" coupons; or

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

28 (b) A person may not notify any other person by any means, as part of an
29 advertising scheme or plan, that the other person SPECIFICALLY, AND NOTAS PART OF

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1 THE GENERAL PUBLIC, has won a prize, received an award, or has been selected or is
2 eligible to receive anything of value if the other person is required to purchase goods or
3 services, pay any money to participate in, or submit to a sales promotion effort.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (6) If prizes with retail prices or monetary values in excess of \$100 are
38 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) If a person offers a contest, sweepstakes, or other sales promotion effort not
7 prohibited by this [subsection] SECTION, not involving the award of prizes by chance,
8 that person 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) 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.