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**By: Senator McFadden**

Introduced and read first time: January 27, 1997

Assigned to: Economic and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Interrelated Business Entities**

3 FOR the purpose of allowing certain business entities that are involved with alcoholic  
4 beverages to be interrelated; specifying the circumstances and conditions upon the  
5 interrelationship; and generally relating to interrelated alcoholic beverages business  
6 entities.

7 BY repealing and reenacting, with amendments,  
8 Article 2B - Alcoholic Beverages  
9 Section 12-104(a)  
10 Annotated Code of Maryland  
11 (1996 Replacement Volume)

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) (1) It shall be unlawful for any holder of a manufacturer's or wholesaler's  
17 license, or anyone connected with the business of the holder, or any distiller, nonresident  
18 dealer, brewer, rectifier, blender or bottler of alcoholic beverages to have any financial  
19 interest in the premises upon or in which any alcoholic beverage is sold at retail by any  
20 licensee, or in any business conducted by the licensee; and it shall be unlawful also for any  
21 person or anyone connected with his, its or their business, to lend any money or other  
22 thing of value, or make any gift or to offer any gratuity to any retail dealer, and it shall be  
23 unlawful also for any brewer or beer wholesaler to furnish any sign, display or other form  
24 of advertisement of any value in excess of \$50, advertising the beer or malt beverage  
25 products of a particular wholesaler or brewer to the holder of any retail license issued  
26 under the provisions of this article. The sign, display, or other form of advertisement must  
27 contain brand identifiable advertising matter that is prominent, permanent, and equal to  
28 the life and value of the utilitarian character of the advertising item. Except as provided  
29 for, a retail dealer may not accept, receive or make use of any money, gift, sign or display  
30 furnished by any manufacturer or wholesaler, or any distiller, brewer, rectifier,  
31 nonresident dealer, blender or bottler, or become indebted to any person except for the  
32 purchase of alcoholic beverages and allied products purchased for resale. It shall be

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1 unlawful also for any manufacturer, distiller, nonresident dealer, rectifier, blender or  
2 bottler, or wholesaler of alcoholic beverages other than beer and malt beverages to  
3 furnish any sign, display or other form of advertisement of value except as hereinafter  
4 provided. Signs, posters, placards, devices, graphic displays, bearing advertising matter or  
5 any other forms of advertising for use in windows or elsewhere on a retail liquor  
6 establishment may be given or furnished to a retailer by a brandowner who is engaged in  
7 the business as a distiller, nonresident dealer, rectifier, blender, bottler or wholesaler of  
8 alcoholic beverages other than beer and malt beverages provided:

9                    [(1)] (I) The utilitarian value is secondary and only incidental to the value  
10 as an advertisement, and provided:

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

14                   [(3)] (III) The cost of installation of these materials does not exceed that  
15 which is usual and customary in that particular locality.

16                   (2) (I) THIS PARAGRAPH IS AN EXCEPTION TO PARAGRAPH (1) OF  
17 THIS SUBSECTION.

18                   (II) NOTWITHSTANDING THE PROHIBITION ON HAVING A  
19 FINANCIAL INTEREST IN THE PREMISES UPON OR IN WHICH ANY ALCOHOLIC  
20 BEVERAGE IS SOLD AT RETAIL BY ANY LICENSEE OR IN ANY BUSINESS CONDUCTED  
21 BY ANY LICENSEE, A HOLDER OF A MANUFACTURER'S OR WHOLESALER'S LICENSE,  
22 AND ANYONE CONNECTED WITH THE BUSINESS OF THE HOLDER, OR ANY  
23 DISTILLER, NONRESIDENT DEALER, BREWER, RECTIFIER, BLENDER, OR BOTTLER  
24 OF ALCOHOLIC BEVERAGES MAY HAVE A FINANCIAL INTEREST IN THE RETAIL  
25 BUSINESS FOR THE SALE OF ALCOHOLIC BEVERAGES AT ENTERTAINMENT  
26 FACILITIES OWNED, IN WHOLE OR IN PART, BY THE BUSINESS ENTITIES LISTED IN  
27 THIS SUBPARAGRAPH AND THEIR SUBSIDIARIES OR AFFILIATES, INCLUDING, BUT  
28 NOT LIMITED TO, BUILDINGS USED PRIMARILY FOR INTERACTIVE ENTERTAINMENT  
29 CENTERS, OR OTHER SITES AND USES, AS LONG AS THE PERSON OR ENTITY WITH  
30 THE DIRECT OR INDIRECT INTEREST IN THE RETAILER OR ITS PARENT COMPANY IS  
31 PUBLICLY TRADED ON A NATIONAL SECURITIES EXCHANGE.

32                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 June 1, 1997.