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By: **Delegates Barve, Goldwater, Boston, and Fulton**  
Introduced and read first time: February 12, 1998  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Alcoholic Beverages - Sales by Manufacturers and Wholesalers -**  
3                                   **Discounting**

4 FOR the purpose of creating a certain exception to the prohibition on discounting the  
5 sale of alcoholic beverages by licensed manufacturers and wholesalers to  
6 licensed retail dealers based solely on percentage or volume of purchase; and  
7 generally relating to the sale and distribution of alcoholic beverages in  
8 Maryland.

9 BY repealing and reenacting, with amendments,  
10 Article 2B - Alcoholic Beverages  
11 Section 12-102  
12 Annotated Code of Maryland  
13 (1996 Replacement Volume and 1997 Supplement)

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

16                                   **Article 2B - Alcoholic Beverages**

17 12-102.

18 (A) (1) [In] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,  
19 IN order to eliminate the undue stimulation of the sale of alcoholic beverages and the  
20 practice of manufacturers and wholesalers in granting secret discounts, rebates,  
21 allowances, free goods or other inducement to selected licensees which contribute to a  
22 disorderly distribution of alcoholic beverages, it shall be unlawful for any person  
23 licensed hereunder as a manufacturer or wholesaler to discriminate directly or  
24 indirectly in price, discounts or the quality of merchandise sold, between one  
25 dispensary and another dispensary, between one wholesaler and another wholesaler  
26 or between one retailer and another retailer purchasing alcoholic beverages bearing  
27 the same brand and trade name and of like age and quality.

1           (2)     A PERSON LICENSED AS A MANUFACTURER OR WHOLESALER MAY  
2 GIVE A DISCOUNT TO A DISPENSARY, ANOTHER WHOLESALER, OR A RETAILER BASED  
3 SOLELY ON THE PERCENTAGE OR VOLUME OF ALCOHOLIC BEVERAGES PURCHASED.

4     (B)     It shall be unlawful for any nonresident dealer or nonresident unlicensed  
5 manufacturer to use or promote the use of any such practices for the sale or  
6 distribution of alcoholic beverages to or through the manufacturers, wholesalers or  
7 county dispensaries in this State.

8     (C)     This section shall not restrict a manufacturer or wholesaler or nonresident  
9 dealer from limiting the quantity of alcoholic beverages to be sold to any licensee  
10 under a voluntary or compulsory plan of ration and the word "purchase" shall not  
11 imply that a manufacturer, wholesaler or nonresident dealer shall be required to sell  
12 all licensees from whom they receive orders.

13    (D)     The Comptroller may promulgate such rules and regulations as are  
14 necessary to carry out the purpose of this section.

15    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 July 1, 1998.