
By: **Delegates Love and V. Mitchell**
Introduced and read first time: February 13, 1998
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Suppliers, Dealers, and Wholesalers - Discounts**

3 FOR the purpose of prohibiting a supplier, nonresident dealer, or wholesaler of
4 alcoholic beverages from making certain types of discounts that are offered on a
5 product dependent on the pricing policy or practice of the alcoholic beverages
6 licensee who is invoiced for the product; and generally relating to suppliers,
7 nonresident dealers, and wholesalers of alcoholic beverages.

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

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

15 **Article 2B - Alcoholic Beverages**

16 12-102.

17 (A) In order to eliminate the undue stimulation of the sale of alcoholic
18 beverages and the practice of manufacturers and wholesalers in granting secret
19 discounts, rebates, allowances, free goods or other inducement to selected licensees
20 which contribute to a disorderly distribution of alcoholic beverages, it shall be
21 unlawful for any person licensed hereunder as a manufacturer or wholesaler to
22 discriminate directly or indirectly in price, discounts or the quality of merchandise
23 sold, between one dispensary and another dispensary, between one wholesaler and
24 another wholesaler or between one retailer and another retailer purchasing alcoholic
25 beverages bearing the same brand and trade name and of like age and quality. It shall
26 be unlawful for any nonresident dealer or nonresident unlicensed manufacturer to
27 use or promote the use of any such practices for the sale or distribution of alcoholic
28 beverages to or through the manufacturers, wholesalers or county dispensaries in this
29 State. This section shall not restrict a manufacturer or wholesaler or nonresident
30 dealer from limiting the quantity of alcoholic beverages to be sold to any licensee

1 under a voluntary or compulsory plan of ration and the word "purchase" shall not
2 imply that a manufacturer, wholesaler or nonresident dealer shall be required to sell
3 all licensees from whom they receive orders. The Comptroller may promulgate such
4 rules and regulations as are necessary to carry out the purpose of this section.

5 (B) A SUPPLIER, NONRESIDENT DEALER, OR WHOLESALER MAY NOT MAKE A
6 DISCOUNT, REBATE, OR DEPLETION ALLOWANCE THAT IS OFFERED ON A PRODUCT
7 DEPENDENT ON THE PRICING POLICY OR PRACTICE OF THE LICENSEE WHO IS
8 INVOICED FOR THE PRODUCT.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 1998.