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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 23, 1998

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages - Suppliers, Dealers, and Wholesalers - ~~Discounts~~**
3 **Depletion Allowances**

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

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) In order to eliminate the undue stimulation of the sale of alcoholic
19 beverages and the practice of manufacturers and wholesalers in granting secret
20 discounts, rebates, allowances, free goods or other inducement to selected licensees
21 which contribute to a disorderly distribution of alcoholic beverages, it shall be
22 unlawful for any person licensed hereunder as a manufacturer or wholesaler to
23 discriminate directly or indirectly in price, discounts or the quality of merchandise

1 sold, between one dispensary and another dispensary, between one wholesaler and
2 another wholesaler or between one retailer and another retailer purchasing alcoholic
3 beverages bearing the same brand and trade name and of like age and quality. It shall
4 be unlawful for any nonresident dealer or nonresident unlicensed manufacturer to
5 use or promote the use of any such practices for the sale or distribution of alcoholic
6 beverages to or through the manufacturers, wholesalers or county dispensaries in this
7 State. This section shall not restrict a manufacturer or wholesaler or nonresident
8 dealer from limiting the quantity of alcoholic beverages to be sold to any licensee
9 under a voluntary or compulsory plan of ration and the word "purchase" shall not
10 imply that a manufacturer, wholesaler or nonresident dealer shall be required to sell
11 all licensees from whom they receive orders. The Comptroller may promulgate such
12 rules and regulations as are necessary to carry out the purpose of this section.

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

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