

SENATE BILL 689

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1998 Regular Session
8lr2454
CF 8lr1785

By: **Senator Neall**

Introduced and read first time: February 13, 1998

Assigned to: Rules

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.