

session of the General Assembly, I voted in favor of legislation prohibiting the use of such games by service stations. There was then, and still is, a justified belief by the majority of service station operators that serious abuses have been associated with the service station games and that they should be prohibited.

Senate Bill 332, however, goes much further than prohibiting the use of games by service stations. It prohibits the use of promotional games by all retail establishments regulated or licensed under Article 56 of the Annotated Code of Maryland. At a hearing before me on the Bill, no representatives of retail establishments other than service stations spoke in favor of the Bill. On the contrary, representatives of department stores, shopping centers and retail merchants associations all requested that the Bill be vetoed. Moreover, no representatives of consumers testified in favor of the Bill at the hearing. It would appear that the only sizable group in favor of the Bill consists of the retail service station operators. However, the impact of the Bill goes far beyond service station promotional games.

Another problem with the Senate Bill 332, which is compounded by the broad scope of the Bill, is that it will place many Maryland retail merchants at a serious competitive disadvantage. Thus, if the Bill is signed, Maryland retailers in the Washington Metropolitan area will not be able to use promotional games whereas their competitors in the District of Columbia and Virginia will. The same is true of Maryland retailers in some parts of the Eastern Shore who compete with Delaware retailers. Maryland merchants in some other areas of the State may be similarly affected. This problem leads to the conclusion that Federal regulation of retail promotional games would be preferable to State abolition of the games. My office has been informed that the Federal Trade Commission is considering regulating these games in order to stop abuses associated with them, and that the issuance of Federal regulations in the near future is likely. Consequently, the General Assembly at its next session will be able to re-examine the matter of retail promotional games in light of the Federal regulations.

For all of the above reasons, I have concluded that the best course of action at this time is to veto Senate Bill 332.

Sincerely,

/s/ Marvin Mandel,

Governor.

*Which was read.*

Senate Bill No. 332—Contests Promoted by Retail Establishments.

AN ACT to add new Section 369A to Article 27 of the Annotated Code of Maryland (1967 Replacement Volume), title "Crimes and Punishments," subtitle "Lotteries" to follow immediately after Section 369 thereof, prohibiting the use of any game, contest, lottery or other scheme BY RETAIL ESTABLISHMENTS to give away gifts, prizes or gratuities as determined by chance for the purpose of promoting, furthering or advertising any product or service, whether or not a purchase is required to participate in such game, contest, lottery or scheme, and to amend Section 370 of Article 27 to include therein provisions for a penalty for a violation of new Section 369A.