

**House Bill 574**

AN ACT concerning

**Alcoholic Beverages - Suppliers and Wholesalers - Stale Malt Products**

FOR the purpose of allowing a supplier to enter into an agreement with a wholesaler or authorized representative to replace stale or out-of-date malt beverage products under certain circumstances; allowing a supplier to unilaterally submit to the State Comptroller a plan for replacing products under certain circumstances; specifying that the replacement plan may contain a certain designation; specifying that certain provisions apply only to certain counties; making this Act an emergency measure; and generally relating to suppliers and wholesalers of alcoholic beverages.

BY repealing and reenacting, with amendments,

Article 2B - Alcoholic Beverages

Section 12-102

Annotated Code of Maryland

(1998 Replacement Volume and 1998 Supplement)

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

**Article 2B - Alcoholic Beverages**

12-102.

(a) In order to eliminate the undue stimulation of the sale of alcoholic beverages and the practice of manufacturers and wholesalers in granting secret discounts, rebates, allowances, free goods or other inducement to selected licensees which contribute to a disorderly distribution of alcoholic beverages, it shall be unlawful for any person licensed hereunder as a manufacturer or wholesaler to discriminate directly or indirectly in price, discounts or the quality of merchandise sold, between one dispensary and another dispensary, between one wholesaler and another wholesaler or between one retailer and another retailer purchasing alcoholic beverages bearing the same brand and trade name and of like age and quality. It shall be unlawful for any nonresident dealer or nonresident unlicensed manufacturer to use or promote the use of any such practices for the sale or distribution of alcoholic beverages to or through the manufacturers, wholesalers or county dispensaries in this State. This section shall not restrict a manufacturer or wholesaler or nonresident dealer from limiting the quantity of alcoholic beverages to be sold to any licensee under a voluntary or compulsory plan of ration and the word "purchase" shall not imply that a manufacturer, wholesaler or nonresident dealer shall be required to sell all licensees from whom they receive orders. The Comptroller may promulgate such rules and regulations as are necessary to carry out the purpose of this section.

(b) A supplier, nonresident dealer, or wholesaler may not make a discount, rebate, or depletion allowance that is offered on a product dependent on the pricing policy or practice of the licensee who is invoiced for the product.