

Administrative Release

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AB-29

December 3, 2004

To: All Nonresident Dealers, Maryland Manufacturers, Wholesalers,
and Retailers Who Sell Alcoholic Beverages

Subject: Discriminatory Pricing of Alcoholic Beverages

In a notice sent out to the industry dated May 14, 2004, we advised of the Court's decision rendering price filings and the ban on quantity discounts for wines and distilled spirits as unenforceable. We indicated in that notice that the Comptroller intended to file an appeal; the appeal was filed on November 22, 2004. We are awaiting the decision of the appeals court and will advise you of the outcome.

In the meantime, we want to remind you the prohibition against discrimination as to pricing or discounts, other than discounts based on volume, remains enforceable and applies to all alcoholic beverage sales. Section 12-102, of Article 2B of the Annotated Code of Maryland, states in pertinent part "...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..."

The Comptroller intends to continue to enforce the alcoholic beverages laws to maintain and foster a level playing field for the alcoholic beverage industry in Maryland. Your cooperation in maintaining an orderly market is expected. Should you have any questions or comments regarding this matter, please contact Mr. Daniel Adams, Assistant Director at 410-260-7314.

Larry W. Tolliver
Director