

# BULLETIN



Comptroller of the Treasury 1 Alcohol and Tobacco Tax Unit 1 Goldstein Treasury Building 1 P.O. Box 2999  
Annapolis, Maryland 21404-2999 • Telephone: 410-260-7314 mdcomp@ari.net

## No. AB-9

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**TO: Holders of Manufacturer Licenses, Wholesale Licenses, Non-Resident Dealer Permits and Solicitor Permits**

**SUBJECT: Alcoholic Beverages Trade Practices**

On June 27, 1996, the Alcohol and Tobacco Tax Unit co-sponsored a meeting with the Bureau of Alcohol, Tobacco and Firearms in Annapolis, Maryland, to discuss federal and state trade practice laws and requirements. The major thrust of this meeting was to review pertinent trade practices provisions of the Federal Alcohol Administration (FAA) Act and to point out where Maryland requirements may differ. Maryland manufacturers and wholesalers were specifically invited to this meeting.

Generally the more restrictive trade practice requirements (federal or state) apply and should be followed in Maryland. As we have done in the past, we urge all licensees to contact this office if they have questions about the interpretation or application of any trade practice guideline or regulation.

The revised alcoholic beverages trade practices guidelines issued effective October 1, 1994, have proven to be effective and have generally been well received by all tiers of the industry. As we stated when these guidelines were issued, we are proceeding to codify them as regulations. However, we are aware that some licensees or their employees may be circumventing these guidelines or other provisions of Article 2B of the Annotated Code of Maryland by offering illegal deals, discounts, gratuities, etc., to retail licensees. Those who did not attend the trade practice seminar should note the following:

- Any substantiated violations of the provisions of Article 2B or the trade practice guidelines/regulations will result in swift and severe sanctions against the licensee. Penalties could include license suspension or revocation or the payment of a substantial fine in lieu of a license suspension or revocation.
- Licensees are responsible for the actions of their supervisors, employees and agents whether or not they have direct knowledge of any illegal activity.
- The solicitor permit of any employee engaged in such illegal activities may also be suspended or revoked in addition to sanctions against their employer.
- If a supplier or non-resident dealer is found to have participated, directly or indirectly, in an illegal activity, the supplier's license or permit is also subject to applicable sanctions.

The Alcohol and Tobacco Tax Unit will continue to vigorously pursue allegations of trade practice violations and will engage in independent investigations and inspections to assure compliance with Article 2B and the trade practice regulations.

Charles W. Ehart, DPA  
Administrator  
Alcohol and Tobacco Tax Unit

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