

*ENROLLED BILL*  
*-- Finance/Economic Matters --*

Introduced by **Senators Exum, Astle, DeGrange, Gladden, Grosfeld, Hafer,  
Jimeno, Klausmeier, Middleton, Schrader, Stone, and Teitelbaum**

Read and Examined by Proofreaders:

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Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Cigarettes - Direct Sales and Shipping**

3 FOR the purpose of prohibiting a person engaged in the business of selling or  
4 distributing cigarettes from selling, shipping, or causing to be shipped  
5 cigarettes, ordered or purchased by mail or through a computer, telephonic, or  
6 other electronic network by a consumer or other unlicensed recipient, directly to  
7 a consumer or other unlicensed recipient in this State; permitting a licensed  
8 retailer or an employee of a licensed retailer to deliver no more than a certain  
9 number of cartons of cigarettes directly to a consumer; establishing penalties for  
10 a violation of this Act by a licensee or other person engaged in the business of  
11 selling or distributing cigarettes; and generally relating to direct cigarette sales  
12 and shipping.

13 BY adding to  
14 Article - Business Regulation  
15 Section 16-223

1 Annotated Code of Maryland  
2 (1998 Replacement Volume and 2004 Supplement)

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

5 **Article - Business Regulation**

6 16-223.

7 (A) THIS SECTION APPLIES TO A PERSON WHO IS ENGAGED IN THE BUSINESS  
8 OF SELLING OR DISTRIBUTING CIGARETTES.

9 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A  
10 PERSON COVERED UNDER THIS SECTION MAY NOT:

11 (I) SELL OR SHIP CIGARETTES, ORDERED OR PURCHASED BY MAIL  
12 OR THROUGH A COMPUTER NETWORK, TELEPHONIC NETWORK, OR OTHER  
13 ELECTRONIC NETWORK BY A CONSUMER OR OTHER UNLICENSED RECIPIENT,  
14 DIRECTLY TO A CONSUMER OR OTHER UNLICENSED RECIPIENT IN THIS STATE; OR

15 (II) CAUSE CIGARETTES, ORDERED OR PURCHASED BY MAIL OR  
16 THROUGH A COMPUTER NETWORK, TELEPHONIC NETWORK, OR OTHER ELECTRONIC  
17 NETWORK BY A CONSUMER OR OTHER UNLICENSED RECIPIENT, TO BE SHIPPED  
18 DIRECTLY TO A CONSUMER OR OTHER UNLICENSED RECIPIENT IN THIS STATE.

19 (2) A LICENSED RETAILER MAY DELIVER NO MORE THAN TWO CARTONS  
20 OF CIGARETTES DIRECTLY TO A CONSUMER IF THE DELIVERY IS MADE BY THE  
21 LICENSED RETAILER OR AN EMPLOYEE OF THE LICENSED RETAILER.

22 (C) (1) A LICENSEE WHO SELLS OR SHIPS CIGARETTES IN VIOLATION OF  
23 THIS SECTION OR CAUSES CIGARETTES TO BE SHIPPED IN VIOLATION OF THIS  
24 SECTION IS ~~SUBJECT TO~~:

25 (I) SUBJECT TO DISCIPLINE BY THE COMPTROLLER UNDER §  
26 16-210 OF THIS SUBTITLE; AND

27 (II) ~~THE PENALTY SPECIFIED UNDER § 13-1015 OF THE TAX-~~  
28 ~~GENERAL ARTICLE~~ GUILTY OF A FELONY AND, ON CONVICTION, IS SUBJECT TO A  
29 FINE NOT EXCEEDING \$50 FOR EACH CARTON OF CIGARETTES TRANSPORTED OR  
30 IMPRISONMENT NOT EXCEEDING 2 YEARS OR BOTH.

31 (2) A PERSON OTHER THAN A LICENSEE WHO SELLS OR SHIPS  
32 CIGARETTES IN VIOLATION OF THIS SECTION OR CAUSES CIGARETTES TO BE  
33 SHIPPED IN VIOLATION OF THIS SECTION IS ~~SUBJECT TO THE PENALTY SPECIFIED~~  
34 ~~UNDER § 13-1015 OF THE TAX- GENERAL ARTICLE~~ GUILTY OF A FELONY AND, ON  
35 CONVICTION, IS SUBJECT TO A FINE NOT EXCEEDING \$50 FOR EACH CARTON OF  
36 CIGARETTES TRANSPORTED OR IMPRISONMENT NOT EXCEEDING 2 YEARS OR BOTH.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 October 1, 2005.