

# HOUSE BILL 1052

P1, A1, C2

(9lr2754)

## ENROLLED BILL

— *Economic Matters/ Education, Health, and Environmental Affairs* —

Introduced by **Delegate Miller (By Request – Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

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

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission**

3 FOR the purpose of establishing the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission  
4 with certain powers and duties; transferring certain responsibilities of the  
5 Comptroller to the Executive Director of the Alcohol, and Tobacco, ~~and Motor Fuel~~  
6 Commission; providing that the members of the Commission are to be appointed by  
7 the Governor with the advice and consent of the Senate; providing for the  
8 qualifications, terms, reimbursement for expenses, and removal of the members;  
9 prohibiting a member from having certain interests or positions in the alcohol, or  
10 tobacco, ~~or motor fuel~~ industries or accepting certain contributions from the alcohol,  
11 or tobacco, ~~or motor fuel~~ industries with respect to the regulation of alcohol, or  
12 tobacco, ~~or motor fuel~~; requiring a member to file a certain financial disclosure  
13 statement; providing for a chair of the Commission; providing for the quorum,  
14 meetings, minutes, and staff of the Commission; requiring the Commission to

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



1 perform certain functions, conduct certain studies, and develop best practices for  
2 certain activities; requiring the Governor to appoint an Executive Director of the  
3 Commission; providing for the qualifications and salary of the Executive Director;  
4 prohibiting the Executive Director and all employees in the Office of the Executive  
5 Director from accepting certain contributions from certain entities or individuals;  
6 requiring the Executive Director to adopt certain regulations; authorizing the  
7 Executive Director to adopt certain other regulations; authorizing the Executive  
8 Director to establish or prohibit certain discounts in the sale and distribution of wine  
9 and liquor; transferring the Field Enforcement Division from the Office of the  
10 Comptroller to the Office of the Executive Director; authorizing the Executive  
11 Director to delegate authority to conduct certain hearings; requiring the Executive  
12 Director to include certain information in certain annual reports and to maintain  
13 certain record keeping; authorizing the Executive Director to carry out certain  
14 inspections, use certain equipment, and issue summonses for certain purposes;  
15 requiring the Executive Director to enforce certain provisions of law; providing for  
16 the regulatory and enforcement authority of the Executive Director over alcohol, and  
17 ~~tobacco and related products including electronic nicotine delivery systems, and~~  
18 ~~motor fuel~~ under various provisions of law; requiring the Executive Director to submit  
19 a certain report on or before a certain date; authorizing the Executive Director to  
20 carry out certain investigations and request information and assistance from certain  
21 other administrative units of government; authorizing the disclosure of tax  
22 information to the Commission; requiring the Commission to conduct a certain  
23 feasibility study for maintaining a certain statewide database on or before a certain  
24 date and submit the feasibility study to the Governor and the General Assembly on or  
25 before a certain date; stating the intent of the General Assembly concerning the date  
26 of transfer of the Field Enforcement Division and its personnel to the Alcohol, and  
27 ~~Tobacco, and Motor Fuel~~ Commission; specifying that the Office of the Executive  
28 Director is the successor of the Office of the Comptroller in certain matters; providing  
29 that this Act does not affect the term of office of an appointed or elected member of  
30 any commission, office, department, agency, or other unit; providing for the  
31 continuity of certain transactions, employment status, rights, duties, and interests;  
32 specifying that certain employees in budgeted positions of the Office of the  
33 Comptroller whose positions are transferred to the Office of the Executive Director  
34 are transferred without any change or loss of rights or status; providing for the  
35 continuity of certain findings and determinations, permits and licenses, standards  
36 and guidelines, orders and other directives, and duties and responsibilities  
37 associated with those functions transferred by this Act; providing for the continuity  
38 of certain units and their personnel records and other properties; requiring that  
39 certain letterheads, business cards, and other documents may not be used until other  
40 documents already in print have been used; requiring the publisher of the Annotated  
41 Code of Maryland, in consultation with and subject to the approval of the  
42 Department of Legislative Services, to correct any cross-references or terminology  
43 rendered incorrect by this Act and to describe any corrections made in an editor's  
44 note following the section affected; making conforming and stylistic changes;  
45 defining certain terms; providing for a delayed effective date; and generally relating  
46 to the Alcohol, and Tobacco, and Motor Fuel Commission.

1 BY repealing and reenacting, with amendments,  
2 Article – Alcoholic Beverages  
3 Section 1–101; and 1–301, 1–302, 1–302.1, and 1–303 through 1–310 to be under the  
4 amended subtitle “Subtitle 3. Alcohol, and Tobacco, ~~and Motor Fuel~~  
5 Commission”  
6 Annotated Code of Maryland  
7 (2016 Volume and 2018 Supplement)

8 BY adding to  
9 Article – Alcoholic Beverages  
10 Section 1–302 through 1–310  
11 Annotated Code of Maryland  
12 (2016 Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Business Regulation  
15 Section 16–101, 16–102, 16–201, 16–204, 16–205, 16–206(a)(4) and (f)(6) and (7),  
16 16–207(c)(3), 16–208 through 16–213, 16–216(a), 16–218(b) and (c), 16–219(b),  
17 16–220 through 16–222, 16–223(c), 16–302(b), 16–306, 16–307, 16–308.1(b),  
18 16–3B–01, 16.5–101, 16.5–102, 16.5–203, 16.5–204(a), 16.5–205(a)(5) and  
19 (d)(5), 16.5–207 through 16.5–211, 16.5–213, 16.5–214(b) and (c), 16.5–215(b),  
20 16.5–216(c), 16.5–217(c)(1), 16.7–101, 16.7–102(a), 16.7–202, 16.7–203,  
21 16.7–206 through 16.7–210, 16.7–212, and 16.7–213(c)  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2018 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article – Tax – General  
26 Section ~~9–301, 9–310(a), 9–318, 9–320 through 9–322, 9–326 through 9–333, and~~  
27 ~~9–335 through 9–337~~ 13–203(c)  
28 Annotated Code of Maryland  
29 (2016 Replacement Volume and 2018 Supplement)

30 Preamble

31 WHEREAS, Excessive alcohol consumption is the third leading cause of preventable  
32 death in the United States and is a risk factor leading to many health and societal problems;  
33 and

34 WHEREAS, Alcohol is the leading drug among youth in the State, with one in four  
35 Maryland high school students reporting drinking in the past month; and

36 WHEREAS, The Task Force to Study Alcohol Regulation, Enforcement, Safety, and  
37 Public Health in the State received input from numerous public health policy experts,  
38 elected officials, national, State, and local regulators, existing alcohol licensees, Maryland  
39 small businesses, and law enforcement personnel; and

1 WHEREAS, The number of licensed alcohol producers in Maryland has tripled over  
2 the past 10 years and significantly outpaced the number of regulatory personnel; and

3 WHEREAS, The Task Force examined regulatory models across the U.S. concerning  
4 the distribution and sale of alcohol to identify a model that would best balance commercial  
5 interests while ensuring the safety and welfare of all Maryland residents, and  
6 recommended a number of substantive changes be implemented to improve the distribution  
7 and sale of alcohol in the State; now, therefore,

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

10 **Article – Alcoholic Beverages**

11 1–101.

12 (a) In this article the following words have the meanings indicated.

13 (b) (1) “Alcoholic beverage” means a spirituous, vinous, malt, or fermented  
14 liquor, liquid, or compound that:

15 (i) contains at least one-half of 1% of alcohol by volume; and

16 (ii) is suitable for beverage purposes.

17 (2) “Alcoholic beverage” includes alcohol, brandy, whiskey, rum, gin,  
18 cordial, beer, and wine.

19 (3) “Alcoholic beverage” does not include a confectionery food product that  
20 contains up to 5% of alcohol by volume and is regulated by the Maryland Department of  
21 Health under § 21–209 of the Health – General Article.

22 (c) (1) “Beer” means a brewed alcoholic beverage.

23 (2) “Beer” includes:

24 (i) ale;

25 (ii) porter;

26 (iii) stout;

27 (iv) hard cider that:

28 1. is derived primarily from apples, apple concentrate and  
29 water, pears, or pear concentrate and water; and

1                   2.     contains no other fruit product but contains at least  
2 one-half of 1% and less than 8.5% of alcohol by volume; and

3                   (v)    an alcoholic beverage that contains:

4                   1.     6% or less alcohol by volume, derived primarily from the  
5 fermentation of grain, with not more than 49% of the alcoholic beverage's overall alcohol  
6 content by volume obtained from flavors and other added nonbeverage ingredients  
7 containing alcohol; or

8                   2.     more than 6% alcohol by volume, derived primarily from  
9 the fermentation of grain, with not more than 1.5% of the alcoholic beverage's overall  
10 alcohol content by volume obtained from flavors and other added nonbeverage ingredients  
11 containing alcohol.

12           (d)    "Central Repository" means the Criminal Justice Information System Central  
13 Repository of the Department of Public Safety and Correctional Services.

14           (e)    "Club" means an association or a corporation that is:

15                   (1)    organized and operated exclusively for educational, social, fraternal,  
16 patriotic, political, or athletic purposes; and

17                   (2)    nonprofit.

18           **(F)    "COMMISSION" MEANS THE ALCOHOL, AND TOBACCO, ~~AND MOTOR~~  
19 ~~FUEL~~ COMMISSION.**

20           **[(f)] (G)**   (1)    "Comptroller" means the Comptroller of the State.

21                   (2)    "Comptroller" includes a deputy, an inspector, a clerk, or any other  
22 individual authorized to act by the Comptroller.

23           **[(g)] (H)**   "Consumer" means an individual at least 21 years old or a corporation  
24 not otherwise prohibited by this article or any other State law, that buys, possesses, keeps,  
25 or transports alcoholic beverages on which the taxes under Title 5 of the Tax – General  
26 Article have been paid, for the individual's or corporation's own use and not for sale.

27           **[(h)] (I)**   "County" means a county of the State or Baltimore City.

28           **(J)   (1)    "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF  
29 THE COMMISSION.**

30                   **(2)    "EXECUTIVE DIRECTOR" INCLUDES A DEPUTY, AN INSPECTOR, A  
31 CLERK, OR ANY OTHER INDIVIDUAL AUTHORIZED TO ACT BY THE EXECUTIVE  
32 DIRECTOR.**

1            **[(i)] (K)**     (1)    “Family beer” means homemade beer produced for home  
2 consumption and not for sale.

3                        (2)    “Family beer” includes beer produced at a family beer and wine facility  
4 that has been granted a permit under § 2–138 of this article.

5            **[(j)] (L)**     (1)    “Family wine” means homemade wine produced for home  
6 consumption and not for sale.

7                        (2)    “Family wine” includes wine produced at a family beer and wine facility  
8 that has been granted a permit under § 2–138 of this article.

9            **[(k)] (M)**     (1)    Subject to paragraph (2) of this subsection, “hotel” means an  
10 establishment that:

11                        (i)     accommodates the public;

12                        (ii)    is equipped with at least 10 bedrooms and a dining room with  
13 facilities for preparing and serving regular meals; and

14                        (iii)   has average daily receipts from the rental of rooms and sale of  
15 food that exceed the average daily receipts from the sale of alcoholic beverages.

16                        (2)    By regulation, a local licensing board may set a different standard as to  
17 what constitutes a hotel.

18            **[(l)] (N)**     “Illicit alcoholic beverage” means an alcoholic beverage that has been  
19 manufactured, bottled, or rectified:

20                        (1)    in the State at a location not licensed under this article; or

21                        (2)    outside the State at a location not licensed under the United States  
22 Internal Revenue Code or the laws of a foreign country.

23            **[(m)] (O)**     “Jurisdiction” means a county or the City of Annapolis.

24            **[(n)] (P)**     “License” means an alcoholic beverages license issued under this  
25 article.

26            **[(o)] (Q)**     (1)    “License holder” means the holder of a license issued or a permit  
27 granted under this article.

28                        (2)    “License holder” includes:

29                        (i)     a county liquor control board and a county dispensary; and

1 (ii) for the delivery and billing purposes of Title 2, Subtitle 3 and §§  
2 2–213 and 2–314 of this article, a corporation on behalf of which an individual has obtained  
3 a license.

4 **[(p)] (R)** “Liquor” has the same meaning as “distilled spirits” under § 5–101(g) of  
5 the Tax – General Article.

6 **[(q)] (S)** (1) “Local collecting agent” means:

7 (i) in the City of Annapolis, the city clerk;

8 (ii) in Allegany County, Baltimore County, Howard County, Prince  
9 George’s County, or Wicomico County, the director of finance;

10 (iii) in Calvert County, Dorchester County, St. Mary’s County, or  
11 Somerset County, the treasurer of the county; or

12 (iv) in each other county, the board of license commissioners unless  
13 another governmental unit is expressly authorized to collect fees under this article.

14 (2) “Local collecting agent” does not include a clerk of a circuit court.

15 **[(r)] (T)** “Local licensing board” means a board of license commissioners or other  
16 governmental unit of a jurisdiction that issues licenses.

17 **[(s)] (U)** “Manufacturer’s license” means a license issued under Title 2, Subtitle  
18 2 of this article that is:

19 (1) a Class 1 distillery license;

20 (2) a Class 2 rectifying license;

21 (3) a Class 3 winery license;

22 (4) a Class 4 limited winery license;

23 (5) a Class 5 brewery license;

24 (6) a Class 6 pub–brewery license;

25 (7) a Class 7 micro–brewery license;

26 (8) a Class 8 farm brewery license; or

27 (9) a Class 9 limited distillery license.

1            ~~[(t)]~~ **(v)**        “Off-sale” means the sale of alcoholic beverages that are to be consumed  
2 off the licensed premises.

3            ~~[(u)]~~ **(w)**        “On-sale” means the sale of alcoholic beverages that are to be consumed  
4 on the licensed premises.

5            ~~[(v)]~~ **(x)**        “Person” means:

6                    (1)     an individual;

7                    (2)     an association, a partnership, a corporation, a trust, or any other entity,  
8 and the officers, directors, and other individuals in active control of the activities of the  
9 association, partnership, corporation, trust, or other entity; or

10                  (3)     (i)     the State or a political subdivision of the State, or a unit or an  
11 instrumentality of the State or a political subdivision of the State; or

12                                    (ii)    another state or a political subdivision of that state.

13            ~~[(w)]~~ **(y)**        “Pomace brandy” means brandy that is distilled from the pulpy residue  
14 of wine pressing, including the skins, pips, and stalks of grapes.

15            ~~[(x)]~~ **(z)**        (1)     Subject to paragraph (2) of this subsection, “restaurant” means  
16 an establishment that:

17                                    (i)     accommodates the public;

18                                    (ii)    is equipped with a dining room with facilities for preparing and  
19 serving regular meals; and

20                                    (iii)   has average daily receipts from the sale of food that exceed the  
21 average daily receipts from the sale of alcoholic beverages.

22                    (2)     By regulation, a local licensing board may set a different standard as to  
23 what constitutes a restaurant.

24            ~~[(y)]~~ **(aa)**     (1)     “Retail dealer” means a person that sells an alcoholic beverage to  
25 any person other than a license holder.

26                    (2)     “Retail dealer” includes a county dispensary.

27            ~~[(z)]~~ **(bb)**     “7-day license” means a license that is in effect every day of the week.

28            ~~[(aa)]~~ **(cc)**     “6-day license” means a license that is in effect Monday through  
29 Saturday.



1           **[(bb)] (DD)** (1)    Except as provided in paragraph (2) of this subsection, “state”  
2 means:

3                           (i)    a state, possession, territory, or commonwealth of the United  
4 States; or

5                           (ii)   the District of Columbia.

6                   (2)    When capitalized, “State” means Maryland.

7           **(EE) “TOBACCO” INCLUDES CIGARETTES REGULATED UNDER TITLE 16 OF**  
8 **THE BUSINESS REGULATION ARTICLE AND OTHER TOBACCO AND RELATED**  
9 **PRODUCTS REGULATED UNDER TITLES 16.5 AND 16.7 OF THE BUSINESS**  
10 **REGULATION ARTICLE.**

11           **[(cc)] (FF)** (1)    “Wholesaler” means:

12                           (i)    a person that purchases or imports an alcoholic beverage for sale  
13 to wholesale dealers or retail dealers only; or

14                           (ii)   a limited winery that sells wine to retail dealers.

15                   (2)    “Wholesaler” includes:

16                           (i)    a county liquor control board; and

17                           (ii)   a county wholesale dispensary.

18           **[(dd)] (GG)** “Wholesaler’s license” means a license issued under Title 2, Subtitle 3  
19 of this article that is:

20                   (1)    a Class 1 beer, wine, and liquor license;

21                   (2)    a Class 2 wine and liquor license;

22                   (3)    a Class 3 beer and wine license;

23                   (4)    a Class 4 beer license;

24                   (5)    a Class 5 wine license;

25                   (6)    a Class 6 limited wine license; or

26                   (7)    a Class 7 limited beer license.

1 [(ee)] (HH) (1) “Wine” means a fermented beverage.

2 (2) “Wine” includes:

3 (i) light wine;

4 (ii) sparkling wine that is naturally or artificially carbonated; and

5 (iii) fortified wine to which alcohol, spirits, or other ingredients are  
6 added.

7 Subtitle 3. [Powers and Duties of Comptroller] ~~ALCOHOL, AND TOBACCO, AND MOTOR~~  
8 ~~FUEL~~ COMMISSION.

9 1-301.

10 In this subtitle, “Division director” means the director of the Field Enforcement  
11 Division of the Office of the [Comptroller] EXECUTIVE DIRECTOR.

12 1-302.

13 THERE IS AN ~~ALCOHOL, AND TOBACCO, AND MOTOR FUEL~~ COMMISSION.

14 1-303.

15 (A) (1) THE COMMISSION CONSISTS OF FIVE MEMBERS TO BE APPOINTED  
16 BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

17 (2) THE PRESIDING OFFICER OF EITHER HOUSE OF THE GENERAL  
18 ASSEMBLY MAY RECOMMEND TO THE GOVERNOR A LIST OF INDIVIDUALS FOR  
19 APPOINTMENT TO THE COMMISSION.

20 (3) OF THE COMMISSION MEMBERS:

21 (I) ONE SHALL BE ~~A REPRESENTATIVE OF THE~~  
22 KNOWLEDGEABLE AND EXPERIENCED IN PUBLIC HEALTH COMMUNITY MATTERS;

23 (II) ONE SHALL BE ~~A REPRESENTATIVE OF THE~~  
24 KNOWLEDGEABLE AND EXPERIENCED IN LAW ENFORCEMENT COMMUNITY  
25 MATTERS;

26 (III) ONE SHALL BE ~~A REPRESENTATIVE OF~~ KNOWLEDGEABLE  
27 AND EXPERIENCED IN THE ALCOHOLIC BEVERAGES INDUSTRY; AND

1 (IV) TWO SHALL BE MEMBERS OF THE PUBLIC WHO ARE  
2 KNOWLEDGEABLE AND EXPERIENCED IN FISCAL MATTERS AND SHALL HAVE  
3 SUBSTANTIAL EXPERIENCE:

4 1. AS AN EXECUTIVE WITH FIDUCIARY  
5 RESPONSIBILITIES IN CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;

6 2. IN AN ACADEMIC FIELD RELATING TO FINANCE OR  
7 ECONOMICS; OR

8 3. AS AN ACCOUNTANT, AN ECONOMIST, OR A FINANCIAL  
9 ANALYST.

10 (4) IN ADDITION TO THE MEMBERS APPOINTED UNDER PARAGRAPH  
11 (3) OF THIS SUBSECTION, THE SECRETARY OF HEALTH AND THE SECRETARY OF  
12 STATE POLICE, OR THEIR DESIGNEES, MAY PARTICIPATE IN THE COMMISSION AS EX  
13 OFFICIO NONVOTING MEMBERS.

14 (B) AT THE TIME OF APPOINTMENT, EACH MEMBER OF THE COMMISSION  
15 SHALL BE:

16 (1) AT LEAST 25 YEARS OLD;

17 (2) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE FOR  
18 AT LEAST 5 YEARS;

19 (3) A QUALIFIED VOTER OF THE STATE; AND

20 (4) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR GRANTED  
21 PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES  
22 MORAL TURPITUDE.

23 (C) (1) THE TERM OF A MEMBER IS 5 YEARS.

24 (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE  
25 TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON JUNE 30, 2020.

26 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL  
27 A SUCCESSOR IS APPOINTED AND QUALIFIES.

28 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
29 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND  
30 QUALIFIES.

1           **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO FULL TERMS.**

2           **(D) (1) SUBJECT TO THE HEARING REQUIREMENTS OF THIS SUBSECTION,**  
3 **THE GOVERNOR MAY REMOVE A MEMBER FOR CAUSE.**

4           **(2) BEFORE THE GOVERNOR REMOVES A MEMBER, THE GOVERNOR**  
5 **SHALL GIVE THE MEMBER NOTICE AND AN OPPORTUNITY FOR A PUBLIC HEARING.**

6 **1-304.**

7           **(A) A MEMBER OF THE COMMISSION MAY NOT:**

8           **(1) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST, OWNERSHIP,**  
9 **OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR OTHER SIMILAR**  
10 **FINANCIAL INTERESTS, IN THE ALCOHOL, TOBACCO, OR MOTOR FUEL INDUSTRIES;**

11           **(2) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A**  
12 **LICENSE OR PERMIT UNDER THIS ARTICLE, OR TITLE 16, TITLE 16.5, OR TITLE 16.7**  
13 **OF THE BUSINESS REGULATION ARTICLE, ~~OR TITLE 9, SUBTITLE 3, PART IV OF THE~~**  
14 **~~TAX - GENERAL ARTICLE;~~**

15           **(3) BE AN ELECTED OFFICIAL ~~OF STATE OR LOCAL GOVERNMENT;~~**

16           **(4) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS**  
17 **OR PROCEEDS OF ANY ACTIVITIES CONDUCTED IN THE ALCOHOL, OR TOBACCO, ~~OR~~**  
18 **~~MOTOR FUEL~~ INDUSTRIES;**

19           **(5) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE**  
20 **MANUFACTURE OR SALE OF ANY DEVICE OR PRODUCT OR THE PROVISION OF ANY**  
21 **INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH A HOLDER OF A**  
22 **LICENSE OR PERMIT ISSUED UNDER THIS ARTICLE, OR TITLE 16, TITLE 16.5, OR**  
23 **TITLE 16.7 OF THE BUSINESS REGULATION ARTICLE, ~~OR TITLE 9, SUBTITLE 3,~~**  
24 **~~PART IV OF THE TAX - GENERAL ARTICLE;~~ OR**

25           **(6) ACCEPT A CONTRIBUTION OF MONEY OR PROPERTY WORTH AT**  
26 **LEAST \$100 FROM AN ENTITY OR INDIVIDUAL ASSOCIATED WITH THE ALCOHOL, OR**  
27 **TOBACCO, ~~OR MOTOR FUEL~~ INDUSTRIES WITH RESPECT TO THE REGULATION OF**  
28 **ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL.~~**

29           **(B) A MEMBER OF THE COMMISSION SHALL FILE A FINANCIAL DISCLOSURE**  
30 **STATEMENT WITH THE STATE ETHICS COMMISSION IN ACCORDANCE WITH TITLE 5,**  
31 **SUBTITLE 6 OF THE GENERAL PROVISIONS ARTICLE.**

32 **1-305.**

1 FROM AMONG ITS MEMBERS, THE COMMISSION ANNUALLY SHALL ELECT A  
2 CHAIR.

3 1-306.

4 (A) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE  
5 COMMISSION IS A QUORUM.

6 (B) THE COMMISSION SHALL MEET MONTHLY AT THE TIMES AND PLACES  
7 THAT THE COMMISSION DETERMINES.

8 (C) (1) THE SECRETARY OF THE COMMISSION PROMPTLY SHALL SEND  
9 THE GOVERNOR A CERTIFIED COPY OF THE MINUTES OF EACH MEETING OF THE  
10 COMMISSION.

11 (2) THE MINUTES SHALL INCLUDE A COPY OF EACH REGULATION  
12 THAT IS ADOPTED.

13 (D) EACH MEMBER OF THE COMMISSION IS ENTITLED TO REIMBURSEMENT  
14 FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS  
15 PROVIDED IN THE BUDGET OF THE COMMISSION.

16 (E) (1) WITH THE ADVICE OF THE COMMISSION, THE EXECUTIVE  
17 DIRECTOR MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE BUDGET.

18 (2) THE STAFF OF THE COMMISSION IS IN THE STATE PERSONNEL  
19 MANAGEMENT SYSTEM.

20 1-307.

21 (A) THE COMMISSION HAS THE POWERS AND DUTIES SET FORTH IN THIS  
22 SECTION.

23 (B) THE COMMISSION SHALL:

24 (1) EDUCATE THE PUBLIC, BY RESOURCE SHARING AND SERVING AS  
25 AN INFORMATION CLEARINGHOUSE, ON SUCH TOPICS AS:

26 (I) RECENT INCREASES IN ALCOHOL CONTENT FOR POPULAR  
27 BEER AND OTHER BEVERAGES;

28 (II) THE PROPER LIMITS OF DRINKING FOR ADULTS;

1 (III) THE ADVERSE CONSEQUENCES OF SURPASSING THOSE  
2 LIMITS; ~~AND~~

3 (IV) PARENTAL OR ADULT RESPONSIBILITY FOR SERVING  
4 ALCOHOL TO UNDERAGE INDIVIDUALS; AND

5 (V) COMPARABLE TOPICS RELATING TO SMOKING, VAPING,  
6 TOBACCO, OTHER TOBACCO PRODUCTS, AND ELECTRONIC NICOTINE DELIVERY  
7 SYSTEMS; AND

8 (2) SUBJECT TO FEDERAL APPROVAL, ENSURE THAT ALL ALCOHOLIC  
9 BEVERAGES SOLD IN THE STATE WITH AN ALCOHOL CONTENT EXCEEDING 4.5% BY  
10 VOLUME BEAR A LARGE AND CONSPICUOUS LABEL STATING THE PERCENTAGE OF  
11 ALCOHOL CONTENT.

12 (c) (1) THE COMMISSION SHALL CONDUCT STUDIES OF:

13 (I) THE OPERATION AND ADMINISTRATION OF SIMILAR LAWS IN  
14 OTHER STATES OR COUNTRIES; AND

15 (II) FEDERAL LAWS THAT MAY AFFECT THE OPERATION OF THE  
16 ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL~~ INDUSTRIES, THE LITERATURE ON THOSE  
17 INDUSTRIES, AND THE REACTION OF RESIDENTS OF THE STATE TO EXISTING AND  
18 POTENTIAL FEATURES OF THOSE INDUSTRIES.

19 (2) THE COMMISSION SHALL SUBMIT TO THE GOVERNOR AND, IN  
20 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL  
21 ASSEMBLY THE STUDIES REQUIRED UNDER THIS SUBSECTION.

22 1-308.

23 THE COMMISSION SHALL DEVELOP BEST PRACTICES FOR:

24 (1) THE DEDICATION OF A MINIMUM EFFECTIVE PORTION OF THE  
25 BUDGET OF A LOCAL LICENSING BOARD TO ADMINISTRATIVE ENFORCEMENT  
26 ACTIVITIES, SUCH AS INSPECTIONS, COMPLIANCE CHECKS, OVERSERVICE,  
27 OPERATIONS, AND TRADE PRACTICE VIOLATIONS;

28 (2) THE CARRYING OUT OF COMPLIANCE CHECKS FOR ALCOHOLIC  
29 BEVERAGES LICENSES, IN WHICH EACH LICENSE IS CHECKED AT LEAST ONCE A  
30 YEAR;

31 (3) THE DEVELOPMENT OF GUIDELINES FOR THE MINIMUM CAPACITY  
32 OF INSPECTIONS CARRIED OUT BY INSPECTORS OF LOCAL LICENSING BOARDS,

1 BASED ON THE NUMBER AND TYPE OF LICENSED OUTLETS IN THE LICENSING  
2 JURISDICTION;

3 (4) ENSURING THAT ALCOHOLIC BEVERAGES INSPECTIONS BE BASED  
4 ON DATA SUCH AS THE VIOLATION HISTORY OF THE LICENSE HOLDER, AND CALLS  
5 FOR EMERGENCY ASSISTANCE, EMERGENCY MEDICAL SERVICE, OR  
6 NONEMERGENCY SERVICE, SO THAT RESOURCES ARE BEING ALLOCATED BASED ON  
7 WHERE THE GREATEST NEED IS;

8 (5) THE REPORTING OF AGGREGATE DATA BETWEEN LOCAL POLICE  
9 AND LOCAL LICENSING BOARDS;

10 (6) THE DEVELOPMENT OF MANDATORY STATE-PROVIDED TRAINING  
11 FOR LIQUOR INSPECTORS;

12 (7) REPORTING BY THE STATE TO THE AFFECTED LOCAL LICENSING  
13 BOARD OF A STATE-ISSUED LICENSE OR PERMIT WITHIN 10 DAYS AFTER THE STATE  
14 RECEIVES AN APPLICATION;

15 (8) THE DEVELOPMENT OF A PUBLIC HEALTH IMPACT STATEMENT  
16 FOR ALL CHANGES TO THE STATE ALCOHOLIC BEVERAGES LAWS; AND

17 (9) ENSURING THAT:

18 (I) ALL LICENSE HOLDERS, MANAGERS, AND SERVERS RECEIVE  
19 CERTIFICATION FROM AN APPROVED ALCOHOL AWARENESS PROGRAM; AND

20 (II) AT LEAST ONE EMPLOYEE WHO IS CERTIFIED IN AN  
21 ALCOHOL AWARENESS PROGRAM BE ON THE LICENSED PREMISES AT ALL TIMES  
22 WHEN ALCOHOLIC BEVERAGES ARE SERVED.

23 1-309.

24 (A) WITH THE ADVICE AND CONSENT OF THE SENATE, THE GOVERNOR  
25 SHALL APPOINT AN EXECUTIVE DIRECTOR OF THE COMMISSION.

26 (B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE  
27 GOVERNOR.

28 (C) THE EXECUTIVE DIRECTOR SHALL:

29 (1) HAVE THE TRAINING AND EXPERIENCE, INCLUDING KNOWLEDGE  
30 OF THE MARYLAND ALCOHOL REGULATORY SYSTEM, THAT IS NEEDED TO DIRECT  
31 THE WORK OF THE COMMISSION; AND

1           **(2) DEVOTE FULL TIME TO THE DUTIES OF OFFICE AND MAY NOT**  
 2 **ENGAGE IN ANOTHER PROFESSION OR OCCUPATION.**

3           **(D) THE EXECUTIVE DIRECTOR IS ENTITLED TO THE SALARY PROVIDED IN**  
 4 **THE STATE BUDGET.**

5 **1-310.**

6           **THE EXECUTIVE DIRECTOR AND ALL EMPLOYEES IN THE OFFICE OF THE**  
 7 **EXECUTIVE DIRECTOR MAY NOT ACCEPT A CONTRIBUTION OF MONEY OR PROPERTY**  
 8 **WORTH AT LEAST \$100 FROM AN ENTITY OR INDIVIDUAL ASSOCIATED WITH THE**  
 9 **ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL~~ INDUSTRIES WITH RESPECT TO**  
 10 **REGULATION OF ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL~~.**

11 **[1-302.] 1-311.**

12           (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall adopt regulations to  
 13 discharge the duties under:

14           **(1) this article; AND**

15           **(2) TITLES 16, 16.5, AND 16.7 OF THE BUSINESS REGULATION**  
 16 **ARTICLE; ~~AND~~**

17           ~~**(3) TITLE 9, SUBTITLE 3 OF THE TAX GENERAL ARTICLE.**~~

18           (b) The [Comptroller] **EXECUTIVE DIRECTOR** may adopt regulations regarding:

19           (1) labeling and advertising similar to the regulations adopted by the  
 20 Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the  
 21 Treasury;

22           (2) nature, form, and capacity of containers;

23           (3) credit sales;

24           (4) records to be kept by license holders and others engaged in the business;

25           (5) the amount of deposit on returnable beer containers that  
 26 manufacturers and wholesalers of beer charge and collect; and

27           (6) any other subject the [Comptroller] **EXECUTIVE DIRECTOR** considers  
 28 necessary for the proper administration of the duties of the [Comptroller] **EXECUTIVE**  
 29 **DIRECTOR** under this article, **TITLE 16, TITLE 16.5, OR TITLE 16.7 OF THE BUSINESS**



1 **REGULATION ARTICLE, OR THE PROVISIONS OF THE TAX – GENERAL ARTICLE**  
2 **RELATING TO THE ALCOHOLIC BEVERAGE TAX.**

3 (c) (1) Any violation of a regulation adopted by the [Comptroller] **EXECUTIVE**  
4 **DIRECTOR** under this article, **TITLE 16, TITLE 16.5, OR TITLE 16.7 OF THE BUSINESS**  
5 **REGULATION ARTICLE**, or the provisions of the Tax – General Article relating to the  
6 alcoholic beverage tax is grounds to revoke or suspend a license.

7 (2) The violator is subject to the penalties provided under § 6–402(a) of this  
8 article.

9 **[1–302.1.] 1–312.**

10 By regulation, the [Comptroller] **EXECUTIVE DIRECTOR** may:

11 (1) establish or prohibit the maximum discounts that may be allowed by a  
12 manufacturer, wholesaler, or nonresident winery permit holder in the sale and distribution  
13 of wine and liquor; or

14 (2) prohibit the giving of discounts by a manufacturer, wholesaler, or  
15 nonresident winery permit holder in the sale and distribution of wine and liquor.

16 **[1–303.] 1–313.**

17 (a) There is a Field Enforcement Division in the Office of the [Comptroller]  
18 **EXECUTIVE DIRECTOR.**

19 (b) (1) The Field Enforcement Division may employ officers and employees as  
20 provided in the State budget.

21 (2) The officers and employees of the Field Enforcement Division:

22 (i) shall be sworn police officers;

23 (ii) shall have the powers, duties, and responsibilities of peace  
24 officers to enforce the provisions of this article relating to:

25 1. the unlawful importation of alcoholic beverages into the  
26 State;

27 2. the unlawful manufacture of alcoholic beverages in the  
28 State;

29 3. the transportation and distribution throughout the State  
30 of alcoholic beverages that are manufactured illegally and on which any alcoholic beverages  
31 taxes imposed by the State are due and unpaid; and

1                   4. the manufacture, sale, barter, transportation,  
2 distribution, or other form of owning, handling, or dispersing alcoholic beverages by any  
3 person not licensed or authorized under this article or provisions of the Tax – General  
4 Article relating to alcoholic beverages; and

5                   (iii) may make cooperative arrangements for and work and cooperate  
6 with local State’s Attorneys, sheriffs, bailiffs, police, and other prosecuting and peace  
7 officers to enforce this article.

8           (c) The Field Enforcement Division:

9                   (1) shall consult with and advise the local State’s Attorneys and other law  
10 enforcement officials and police officers regarding enforcement problems in their respective  
11 jurisdictions; and

12                   (2) may recommend changes to improve the administration of this article  
13 and provisions of the Tax – General Article relating to alcoholic beverages.

14 **[1–304.] 1–314.**

15           The **[Comptroller] EXECUTIVE DIRECTOR** may delegate authority under this  
16 article and provisions of the Tax – General Article relating to alcoholic beverages to the  
17 Division director to issue or refuse to issue licenses and permits.

18 **[1–305.] 1–315.**

19           (a) Except as provided in subsection (b) of this section, the **[Comptroller]**  
20 **EXECUTIVE DIRECTOR** may delegate authority to conduct hearings on violations of this  
21 article or of any regulations adopted under this article or the provisions of the Tax – General  
22 Article relating to alcoholic beverages to the Division director or any other employee of the  
23 **[Comptroller’s] EXECUTIVE DIRECTOR’S** office.

24           (b) The Division director or any other employee of the **[Comptroller’s]**  
25 **EXECUTIVE DIRECTOR’S** office delegated authority to conduct hearings under subsection  
26 (a) of this section:

27                   (1) may not impose a penalty provided for under this article or a provision  
28 of the Tax – General Article relating to alcoholic beverages; and

29                   (2) shall report the findings and recommendations to the **[Comptroller]**  
30 **EXECUTIVE DIRECTOR** to take the action that the **[Comptroller] EXECUTIVE**  
31 **DIRECTOR** considers appropriate.

32 **[1–306.] 1–316.**

1 To provide a basis for annual comparison of the scope of the alcoholic beverages  
 2 industry in the State and the consumption habits of residents of the State, the  
 3 **[Comptroller] EXECUTIVE DIRECTOR** ~~in each~~ **SHALL SUBMIT TO THE GOVERNOR AND,**  
 4 **IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE**  
 5 **GENERAL ASSEMBLY, AN** annual report ~~shall include~~ **ON OR BEFORE DECEMBER 1 OF**  
 6 **EACH YEAR THAT INCLUDES** statistical information on the alcoholic beverages business  
 7 in the State that the **[Comptroller] EXECUTIVE DIRECTOR** believes to be of interest to  
 8 the public and the industry.

9 **[1-307.] 1-317.**

10 (a) The **[Comptroller] EXECUTIVE DIRECTOR** shall:

11 (1) maintain a record of:

12 (i) each license issued or approved under this article; and

13 (ii) any revocation, suspension, or cancellation of a license and any  
 14 restriction imposed on a license with a brief explanation of the reason for the action; and

15 (2) allow any person to inspect the records at the Office of the  
 16 **[Comptroller] EXECUTIVE DIRECTOR** during regular business hours.

17 (b) The records of licenses required under subsection (a) of this section and any  
 18 indices or dockets created to maintain the records:

19 (1) shall be retained for the later to occur of:

20 (i) 3 years after the date of the last record entry; or

21 (ii) the date on which all audit requirements have been complied  
 22 with; and

23 (2) may be destroyed after:

24 (i) the retention period in item (1) of this subsection has expired;  
 25 and

26 (ii) Title 10, Subtitle 6, Part III of the State Government Article has  
 27 been complied with.

28 **[1-308.] 1-318.**

29 The **[Comptroller] EXECUTIVE DIRECTOR** may:

1 (1) under § 6–202 of this article, inspect and search a building, vehicle, or  
2 premises where alcoholic beverages are authorized to be kept, transported, manufactured,  
3 or sold;

4 (2) under § 6–203 of this article, use certain equipment and other means to  
5 measure the quantity and quality of alcoholic beverages; and

6 (3) under § 6–204 of this article, issue summonses for witnesses for  
7 hearings and inquiries.

8 **[1–309.] 1–319.**

9 The **[Comptroller] EXECUTIVE DIRECTOR** shall enforce the provisions of this  
10 article and provisions of the Tax – General Article relating to alcoholic beverages applicable  
11 to:

12 (1) the purchase or importation of alcoholic beverages by a department of  
13 liquor control or a liquor control board; and

14 (2) the sale of alcoholic beverages to a wholesaler or retail dealer by a  
15 department of liquor control or a liquor control board.

16 **[1–310.] 1–320.**

17 The **[Comptroller] EXECUTIVE DIRECTOR** may:

18 (1) investigate the manufacture, sale, purchase, use, and transportation of  
19 industrial alcohol unfit for beverage use to the extent reasonably necessary to prevent  
20 conversion into an alcoholic beverage fit for consumption; and

21 (2) request information and assistance from other administrative units of  
22 the State, county, and municipal governments, county and municipal police departments,  
23 and all prosecuting officers as considered necessary by the **[Comptroller] EXECUTIVE**  
24 **DIRECTOR** to carry out this article and provisions of the Tax – General Article relating to  
25 alcoholic beverages.

## 26 **Article – Business Regulation**

27 16–101.

28 (a) In this title the following words have the meanings indicated.

29 (b) “Cigarette” means any size or shaped roll for smoking that is made of tobacco  
30 or tobacco mixed with another ingredient and wrapped in paper or in any other material  
31 except tobacco.

1 (c) “County license” means a license issued by the clerk to sell cigarettes at retail  
2 in a county.

3 (D) **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE**  
4 **ALCOHOL, AND TOBACCO, ~~AND MOTOR FUEL~~ COMMISSION.**

5 [(d)] (E) “Sell” means to exchange or transfer, or to agree to exchange or  
6 transfer, title or possession of property, in any manner or by any means, for consideration.

7 [(e)] (F) (1) “Sell cigarettes at retail” means to sell cigarettes to a consumer.

8 (2) “Sell cigarettes at retail” includes selling cigarettes through a vending  
9 machine.

10 16–102.

11 The [Comptroller] **EXECUTIVE DIRECTOR** may delegate any power or duty of the  
12 [Comptroller] **EXECUTIVE DIRECTOR** under this title.

13 16–201.

14 (a) In this subtitle the following words have the meanings indicated.

15 (b) “License” means:

16 (1) a license issued by the [Comptroller] **EXECUTIVE DIRECTOR** under §  
17 16–205(a) of this subtitle to:

18 (i) act as a manufacturer;

19 (ii) act as a subwholesaler;

20 (iii) act as a vending machine operator;

21 (iv) act as a wholesaler; or

22 (v) act as a storage warehouse; or

23 (2) a license issued by the clerk under § 16–205(b) of this subtitle to act as  
24 a retailer.

25 (c) “Licensed manufacturer” means a person licensed by the [Comptroller]  
26 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a manufacturer.

27 (d) “Licensed retailer” means a person licensed by the clerk under § 16–205(b) of  
28 this subtitle to act as a retailer.

1 (e) “Licensed storage warehouse” means a facility licensed by the [Comptroller]  
2 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a storage warehouse.

3 (f) “Licensed subwholesaler” means a person licensed by the [Comptroller]  
4 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a subwholesaler.

5 (g) “Licensed vending machine operator” means a person licensed by the  
6 [Comptroller] **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a  
7 vending machine operator.

8 (h) “Licensed wholesaler” means a person licensed by the [Comptroller]  
9 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a wholesaler.

10 (i) “Manufacturer” means a person who:

11 (1) (i) operates one or more cigarette manufacturing plants; or

12 (ii) is a participating manufacturer; and

13 (2) (i) sells unstamped cigarettes to a licensed cigarette wholesaler  
14 located in Maryland;

15 (ii) sells unstamped cigarettes that may lawfully be sold in Maryland  
16 to a licensed cigarette wholesaler located outside of Maryland;

17 (iii) unless otherwise prohibited or restricted under local law, this  
18 article, or the Criminal Law Article, distributes sample cigarettes to consumers located in  
19 Maryland; or

20 (iv) stores unstamped cigarettes in a cigarette storage warehouse in  
21 Maryland for subsequent shipment to licensed wholesalers, federal reservations, or persons  
22 out of state.

23 (j) “Participating manufacturer” has the meaning stated in § 16–501 of this title.

24 (k) “Retailer” means a person who:

25 (1) sells cigarettes to consumers through vending machines on fewer than  
26 40 premises;

27 (2) otherwise sells cigarettes to consumers; or

28 (3) holds cigarettes for sale to consumers.

1 (l) “Stamped cigarettes” means a package of cigarettes to which tobacco tax  
2 stamps are affixed in the amount and manner required by § 12–304 of the Tax – General  
3 Article.

4 (m) “Storage warehouse” means a storage facility in Maryland operated for the  
5 purpose of storing unstamped cigarettes on behalf of a licensed cigarette manufacturer.

6 (n) (1) “Subwholesaler” means a person who:

7 (i) holds stamped cigarettes for sale to another person for resale; or

8 (ii) sells stamped cigarettes to another person for resale.

9 (2) “Subwholesaler” does not include a person who sells unstamped  
10 cigarettes or holds unstamped cigarettes for sale.

11 (o) “Unstamped cigarettes” means a package of cigarettes to which tobacco tax  
12 stamps are not affixed in the amount and manner required by § 12–304 of the Tax – General  
13 Article.

14 (p) “Vending machine operator” means a person who:

15 (1) holds cigarettes for sale to consumers through vending machines on 40  
16 or more premises; or

17 (2) sells cigarettes to consumers through vending machines on 40 or more  
18 premises.

19 (q) “Wholesaler” means a person who:

20 (1) holds cigarettes for sale to another person for resale; or

21 (2) sells cigarettes to another person for resale.

22 16–204.

23 (a) An applicant for a license to act as a manufacturer shall:

24 (1) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
25 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
26 requires; and

27 (2) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.

28 (b) (1) An applicant for a license to act as a retailer shall:

- 1 (i) obtain the county license required under § 16–301 of this title;
- 2 (ii) submit to the clerk an application for each permanent or  
3 temporary place of business located in the same enclosure and operated by the same  
4 applicant; and
- 5 (iii) pay to the clerk a fee of \$30.
- 6 (2) The application shall:
- 7 (i) be made on the form that the clerk requires; and
- 8 (ii) contain the information that the [Comptroller] **EXECUTIVE**  
9 **DIRECTOR** requires.
- 10 (c) An applicant for a license to act as a storage warehouse shall:
- 11 (1) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
12 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
13 requires; and
- 14 (2) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.
- 15 (d) An applicant for a license to act as a subwholesaler shall:
- 16 (1) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
17 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
18 requires; and
- 19 (2) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of:
- 20 (i) \$500 for a 1–year term; or
- 21 (ii) the amount that results when \$500 is prorated to the nearest  
22 month, if the application is for less than a 1–year term.
- 23 (e) An applicant for a license to act as a vending machine operator shall:
- 24 (1) obtain the county license required under § 16–301 of this title;
- 25 (2) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
26 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
27 requires; and
- 28 (3) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$500.



1 (f) An applicant for a license to act as a wholesaler shall:

2 (1) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
3 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
4 requires; and

5 (2) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$750.

6 (g) If a person has had a license revoked under § 16–210 of this subtitle, the  
7 person may not reapply for a license within 1 year after the date when the prior license was  
8 revoked.

9 (h) (1) In addition to the license fee otherwise required under this section:

10 (i) an applicant for the initial issuance of a license issued by the  
11 [Comptroller] **EXECUTIVE DIRECTOR** under this title shall pay to the [Comptroller]  
12 **EXECUTIVE DIRECTOR** a nonrefundable application fee of \$200; and

13 (ii) an applicant for renewal of a license issued by the [Comptroller]  
14 **EXECUTIVE DIRECTOR** under this title shall pay to the [Comptroller] **EXECUTIVE**  
15 **DIRECTOR** a renewal fee of \$30.

16 (2) The application and renewal fees required under this subsection do not  
17 apply to a license that is issued by the clerk or to a storage warehouse license application.

18 16–205.

19 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall issue an appropriate license  
20 to each applicant who meets the requirements of this subtitle for a license to act as a  
21 manufacturer, storage warehouse, subwholesaler, vending machine operator, or  
22 wholesaler.

23 (b) The clerk shall issue to each applicant who meets the requirements of this  
24 subtitle a license to act as a retailer.

25 (c) The [Comptroller's Office] **EXECUTIVE DIRECTOR** shall provide to the  
26 Prevention and Health Promotion Administration each year the name and address of each  
27 person licensed under subsection (b) of this section.

28 16–206.

29 (a) A manufacturer license authorizes the licensee to:

30 (4) upon approval of the [Comptroller] **EXECUTIVE DIRECTOR**, act as an  
31 agent of a Maryland licensed wholesaler for stamping and distribution of cigarettes.

1 (f) A wholesaler license authorizes the licensee to:

2 (6) sell unstamped cigarettes to another licensed wholesaler if the  
3 [Comptroller] **EXECUTIVE DIRECTOR** specifically authorizes;

4 (7) upon approval of the [Comptroller] **EXECUTIVE DIRECTOR**, designate  
5 a licensed manufacturer to act as its agent for the stamping and distribution of cigarettes;  
6 and

7 16–207.

8 (c) Before a license issued under this subtitle expires, the licensee may renew it  
9 for an additional 1–year term, if the licensee:

10 (3) pays to the issuing official:

11 (i) the license fee required under § 16–204 of this subtitle; and

12 (ii) if the license is issued by the [Comptroller] **EXECUTIVE**  
13 **DIRECTOR**, the renewal fee required under § 16–204(h) of this subtitle.

14 16–208.

15 (a) (1) A licensed retailer or licensed vending machine operator may not assign  
16 the license.

17 (2) If a licensed subwholesaler or licensed wholesaler sells the licensee’s  
18 cigarette business and pays to the [Comptroller] **EXECUTIVE DIRECTOR** a license  
19 assignment fee of \$10, the licensee may assign the license to the buyer of the business.

20 (b) If the cigarette business of a licensee is transferred because of bankruptcy,  
21 death, incompetency, receivership, or otherwise by operation of law, the [Comptroller]  
22 **EXECUTIVE DIRECTOR** shall transfer the license without charge to the new owner of the  
23 licensee’s business.

24 (c) (1) If a licensed subwholesaler or licensed wholesaler surrenders the  
25 license to the Comptroller and if no disciplinary proceedings are pending against the  
26 licensee, the [Comptroller] **EXECUTIVE DIRECTOR** shall refund a pro rata part of the  
27 license fee for the unexpired term of the license.

28 (2) A licensed retailer or licensed vending machine operator is not allowed  
29 a refund for the unexpired term of the license.

30 16–209.

1 (a) A licensee shall display a license in the way that the [Comptroller]  
2 **EXECUTIVE DIRECTOR** requires by regulation.

3 (b) A licensee who sells cigarettes through a vending machine:

4 (1) shall place each package of cigarettes in the machine so that when the  
5 package is visible the tax stamps required by § 12-304 of the Tax – General Article are also  
6 visible; and

7 (2) in the way that the [Comptroller] **EXECUTIVE DIRECTOR** requires by  
8 regulation, shall:

9 (i) identify each vending machine with a conspicuous label that  
10 states the licensee's name, address, and telephone number; and

11 (ii) display on a conspicuous label applicable prohibitions and  
12 penalties under § 10-107 of the Criminal Law Article.

13 16-210.

14 (a) Subject to the hearing provisions of § 16-211 of this subtitle, the [Comptroller]  
15 **EXECUTIVE DIRECTOR** may deny a license to an applicant, reprimand a licensee, or  
16 suspend or revoke a license if the applicant or licensee:

17 (1) fraudulently or deceptively obtains or attempts to obtain a license for  
18 the applicant or licensee or for another person;

19 (2) fraudulently or deceptively uses a license;

20 (3) fails to comply with the Maryland Cigarette Sales Below Cost Act or  
21 regulations adopted under that Act;

22 (4) fails to comply with the provisions of Title 11, Subtitle 5A of the  
23 Commercial Law Article;

24 (5) buys cigarettes for resale:

25 (i) in violation of a license; or

26 (ii) from a person who is not a licensed cigarette manufacturer,  
27 licensed subwholesaler, licensed vending machine operator, or licensed wholesaler;

28 (6) is convicted, under the laws of the United States or of any other state,  
29 of:

30 (i) a felony; or

1 (ii) a misdemeanor that is a crime of moral turpitude and is directly  
2 related to the fitness and qualification of the applicant or licensee; or

3 (7) has not paid a tax due before October 1 of the year after the tax became  
4 due.

5 (b) Subject to the hearing provisions of § 16–211 of this subtitle, the [Comptroller]  
6 **EXECUTIVE DIRECTOR** may suspend or revoke a license if the licensee violates:

7 (1) Title 12 of the Tax – General Article, or regulations adopted under that  
8 title; or

9 (2) this title or regulations adopted under this title.

10 (c) Subject to the hearing provisions of § 16–211 of this subtitle, the [Comptroller]  
11 **EXECUTIVE DIRECTOR** shall deny a license to any applicant who has had a license  
12 revoked under this section until:

13 (1) 1 year has passed since the license was revoked; and

14 (2) it satisfactorily appears to the [Comptroller] **EXECUTIVE DIRECTOR**  
15 that the applicant will comply with this title and any regulations adopted under this title.

16 (d) Prior to the issuance or renewal of any license, the [Comptroller] **EXECUTIVE**  
17 **DIRECTOR** shall conduct an investigation with regard to:

18 (1) the applicant;

19 (2) the business to be operated; and

20 (3) the facts set forth in the application.

21 16–211.

22 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
23 before the [Comptroller] **EXECUTIVE DIRECTOR** takes any final action under § 16–210 of  
24 this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
25 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
26 **EXECUTIVE DIRECTOR**.

27 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
28 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

29 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
30 proceeding under this section.

1 (d) The person against whom the action is contemplated may be represented at  
2 the hearing by counsel.

3 (e) If, after due notice, the person against whom the action is contemplated does  
4 not appear, nevertheless the [Comptroller] **EXECUTIVE DIRECTOR** may hear and  
5 determine the matter.

6 16–212.

7 (a) Subject to the notice requirement of subsection (c) of this section, if a licensee  
8 engages in an act or omission that is a ground for discipline under § 16–210 of this subtitle,  
9 the [Comptroller] **EXECUTIVE DIRECTOR** may suspend the license for a consecutive  
10 period that:

11 (1) for a first offense, is not less than 5 nor more than 20 business days; or

12 (2) for a subsequent offense, is not less than 20 business days nor more  
13 than 6 months.

14 (b) Subject to the notice requirement under subsection (c) of this section, the  
15 [Comptroller] **EXECUTIVE DIRECTOR** may revoke a license if a licensee:

16 (1) willfully and persistently engages in an act or omission that is a ground  
17 for discipline under § 16–210(a) of this subtitle; or

18 (2) violates this title or Title 12 of the Tax – General Article, or regulations  
19 adopted under these titles.

20 (c) If a license is suspended or revoked under this section:

21 (1) the [Comptroller] **EXECUTIVE DIRECTOR** shall give the licensee  
22 notice of the suspension or revocation; and

23 (2) the suspension or revocation may not take effect until at least 5  
24 business days following notice of the suspension or revocation.

25 (d) The transfer, renewal, or expiration of a license will not bar or abate a  
26 disciplinary action under this section.

27 (e) (1) Except for a violation of § 10–107 of the Criminal Law Article, whenever  
28 any license issued under the provisions of this subtitle is suspended or revoked by the  
29 [Comptroller] **EXECUTIVE DIRECTOR**, the licensee may, before the effective date of the  
30 suspension or revocation, petition the [Comptroller] **EXECUTIVE DIRECTOR** for  
31 permission to make an offer of compromise consisting of a sum of money in lieu of serving  
32 the suspension or revocation.

1           (2) Money paid in lieu of suspension or revocation shall be paid into the  
2 General Fund of the State.

3           (3) An offer of compromise shall not exceed \$2,000 in the case of retail  
4 licensees, and shall not exceed \$50,000 for other licensees.

5           (4) The [Comptroller] **EXECUTIVE DIRECTOR** may accept the offer of  
6 compromise if:

7                   (i) the public welfare and morals would not be impaired by allowing  
8 the licensee to operate during the period set for the suspension or revocation; and

9                   (ii) the payment of the sum of money will achieve the desired  
10 disciplinary purposes.

11           (5) The [Comptroller] **EXECUTIVE DIRECTOR** may promulgate rules and  
12 regulations necessary to carry out the purposes of this subsection.

13 16–213.

14           A party to a proceeding before the [Comptroller] **EXECUTIVE DIRECTOR** who is  
15 aggrieved by a final decision of the [Comptroller] **EXECUTIVE DIRECTOR** in a contested  
16 case, as defined in § 10–202 of the State Government Article, may take an appeal as allowed  
17 in §§ 10–222 and 10–223 of the State Government Article.

18 16–216.

19           (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall pay into the General Fund  
20 of the State all license fees collected under this title.

21 16–218.

22           (b) (1) Except as provided in paragraph (2) of this subsection, each  
23 subwholesaler and each wholesaler shall make an inventory record each month of all  
24 cigarettes on the premises or under the control of the subwholesaler or wholesaler:

25                   (i) at the beginning or end of the month; or

26                   (ii) on another specific day of the month, if the subwholesaler or  
27 wholesaler finds it more practical to take inventory on that day and notifies the  
28 [Comptroller] **EXECUTIVE DIRECTOR** that inventory will be taken on that day.

29           (2) Cigarettes in a vending machine or cigarettes transferred to retail stock  
30 by written memorandum need not be included in the inventory record.

1 (c) Each subwholesaler and each wholesaler shall:

2 (1) keep the records required by this section for 6 years or for a shorter time  
3 set by the [Comptroller] **EXECUTIVE DIRECTOR**; and

4 (2) allow the [Comptroller] **EXECUTIVE DIRECTOR** to examine the  
5 records.

6 16–219.

7 (b) The [Comptroller] **EXECUTIVE DIRECTOR** by regulation may require a  
8 common carrier that brings cigarettes into the State to submit to the [Comptroller]  
9 **EXECUTIVE DIRECTOR** a copy of any freight bill relating to the cigarette shipment.

10 16–220.

11 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall seal a vending machine to  
12 prevent the sale or removal of cigarettes from the machine if:

13 (1) a tax stamp is not visible on each visible package of cigarettes in the  
14 machine, as required by § 16–209(b)(1) of this subtitle; or

15 (2) the machine is not labeled as required by § 16–209(b)(2) of this subtitle.

16 (b) If the violation for which a vending machine is sealed has been corrected in  
17 the presence of the [Comptroller] **EXECUTIVE DIRECTOR** or the [Comptroller's]  
18 **EXECUTIVE DIRECTOR'S** designee, the [Comptroller] **EXECUTIVE DIRECTOR** shall  
19 remove the seal.

20 16–221.

21 (a) Except as otherwise provided in § 16–220 of this subtitle, a person may not  
22 remove or tamper with a seal placed on a vending machine by the [Comptroller]  
23 **EXECUTIVE DIRECTOR**.

24 (b) A person who willfully violates this section is guilty of a misdemeanor and, on  
25 conviction, is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year  
26 or both.

27 16–222.

28 (a) A person may not ship, import, or sell into or within this State any brand of  
29 cigarette unless that person:

30 (1) (i) is the owner of the brand;

1 (ii) is the United States importer for the brand; or

2 (iii) is a designated agent in Maryland of:

3 1. the owner of the brand; or

4 2. the United States importer of the brand; and

5 (2) holds any license required by this subtitle.

6 (b) A person who ships, imports, or sells cigarettes into or within this State:

7 (1) shall comply with any federal and State requirements concerning the  
8 placement of warning labels or other information on the containers or individual packages  
9 of cigarettes; and

10 (2) shall ensure that the containers or individual packages of cigarettes do  
11 not contain any information or markings that are false, misleading, or contrary to:

12 (i) federal trademark or tax laws;

13 (ii) the trademark law of this State under Title 1, Subtitle 4 of this  
14 article; or

15 (iii) the tax laws of this State under Title 12 of the Tax – General  
16 Article.

17 (c) A person who ships, imports, or sells cigarettes into or within this State in  
18 violation of this section is subject to disciplinary action by the [Comptroller] **EXECUTIVE**  
19 **DIRECTOR** under § 16–210 of this subtitle and to the penalty specified in § 13–1015 of the  
20 Tax – General Article.

21 16–223.

22 (c) (1) A licensee who sells or ships cigarettes in violation of this section or  
23 causes cigarettes to be shipped in violation of this section is:

24 (i) subject to discipline by the [Comptroller] **EXECUTIVE**  
25 **DIRECTOR** under § 16–210 of this subtitle; and

26 (ii) guilty of a felony and, on conviction, is subject to a fine not  
27 exceeding \$50 for each carton of cigarettes transported or imprisonment not exceeding 2  
28 years or both.

29 (2) A person other than a licensee who sells or ships cigarettes in violation  
30 of this section or causes cigarettes to be shipped in violation of this section is guilty of a



1 felony and, on conviction, is subject to a fine not exceeding \$50 for each carton of cigarettes  
2 transported or imprisonment not exceeding 2 years or both.

3 16–302.

4 (b) (1) From each license fee collected under subsection (a) of this section, the  
5 Clerk of the Circuit Court for Montgomery County shall distribute:

6 (i) \$25 to the [Comptroller] **EXECUTIVE DIRECTOR**; and

7 (ii) \$100 to Montgomery County to be used to enforce existing laws  
8 banning the sale or distribution of tobacco or tobacco products to minors.

9 (2) Funds distributed under paragraph (1)(ii) of this subsection may not be  
10 used to supplant existing funding for the enforcement of laws banning the sale or  
11 distribution of tobacco or tobacco products to minors.

12 16–306.

13 Subject to the hearing provisions of § 16–307 of this subtitle, the [Comptroller]  
14 **EXECUTIVE DIRECTOR** may deny a county license to an applicant, reprimand a county  
15 licensee, or suspend or revoke a county license if the applicant or licensee:

16 (1) fraudulently or deceptively obtains or attempts to obtain a license for  
17 the applicant or licensee or for another person;

18 (2) fraudulently or deceptively uses a license;

19 (3) violates § 16–308.1 of this subtitle; or

20 (4) fails to comply with the Maryland Cigarette Sales Below Cost Act and  
21 regulations adopted under it.

22 16–307.

23 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
24 before the [Comptroller] **EXECUTIVE DIRECTOR** takes any final action under § 16–306 of  
25 this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
26 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
27 **EXECUTIVE DIRECTOR**.

28 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
29 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

30 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
31 proceeding under this section.

1 (d) The person against whom the action is contemplated may be represented at  
2 the hearing by counsel.

3 (e) If, after due notice, the person against whom the action is contemplated does  
4 not appear, nevertheless the [Comptroller] **EXECUTIVE DIRECTOR** may hear and  
5 determine the matter.

6 16-308.1.

7 (b) Authorized employees of the Field Enforcement Division of the  
8 [Comptroller's] **EXECUTIVE DIRECTOR'S** Office may enforce the provisions of subsection  
9 (a) of this section.

10 16-3B-01.

11 (a) A person may not violate a regulation adopted by the [Comptroller]  
12 **EXECUTIVE DIRECTOR** that applies to a person who sells cigarettes at retail.

13 (b) A person who violates this section is guilty of a misdemeanor and, on  
14 conviction, is subject to a fine of \$100.

15 16.5-101.

16 (a) In this title the following words have the meanings indicated.

17 (b) "County license" means a license issued by the clerk to sell other tobacco  
18 products at retail in a county.

19 (c) **"EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE**  
20 **ALCOHOL, TOBACCO, AND ~~MOTOR FUEL~~ COMMISSION.**

21 [(c)] (D) "License" means:

22 (1) a license issued by the [Comptroller] **EXECUTIVE DIRECTOR** under §  
23 16.5-204(a) of this title to:

24 (i) act as a licensed other tobacco products manufacturer;

25 (ii) act as an other tobacco products wholesaler; or

26 (iii) act as an other tobacco products storage warehouse; or

27 (2) a license issued by the clerk under § 16.5-204(b) of this title to act as  
28 an other tobacco products retailer or a tobacconist.

1            [(d)] (E)        “Licensed other tobacco products manufacturer” means a person  
2 licensed by the [Comptroller] **EXECUTIVE DIRECTOR** under § 16.5–204(a) of this title  
3 who:

4            (1)        manufactures or otherwise produces other tobacco products in the State  
5 intended for sale in the State, including other tobacco products intended for sale in the  
6 State through an importer; and

7            (2)        (i)        sells other tobacco products on which the tobacco tax has not  
8 been paid to a licensed other tobacco products wholesaler in the State;

9            (ii)        sells other tobacco products on which the tobacco tax has not  
10 been paid and which may lawfully be sold in the State to a licensed other tobacco products  
11 wholesaler located outside of the State;

12            (iii)        unless otherwise prohibited or restricted under local law, this  
13 article, or the Criminal Law Article, distributes sample other tobacco products to  
14 consumers located in the State; or

15            (iv)        stores other tobacco products in [an other] **ANOTHER** tobacco  
16 products warehouse in the State for subsequent shipment to licensed wholesalers, federal  
17 reservations, or persons outside of the State.

18            [(e)] (F)        “Licensed other tobacco products retailer” means a person licensed by  
19 the clerk under § 16.5–204(b) of this title to act as an other tobacco products retailer.

20            [(f)] (G)        “Licensed other tobacco products storage warehouse” means a facility  
21 licensed by the [Comptroller] **EXECUTIVE DIRECTOR** under § 16.5–204(a) of this title to  
22 act as an other tobacco products storage warehouse.

23            [(g)] (H)        “Licensed other tobacco products wholesaler” means a person licensed  
24 by the [Comptroller] **EXECUTIVE DIRECTOR** under § 16.5–204(a) of this title to act as an  
25 other tobacco products wholesaler.

26            [(h)] (I)        “Licensed tobacconist” means a person licensed by the clerk of a circuit  
27 court under § 16.5–204(b) of this title to act as a tobacconist.

28            [(i)] (J)        “Other tobacco products” means:

29            (1)        any cigar or roll for smoking, other than a cigarette, made in whole or  
30 in part of tobacco; or

31            (2)        any other tobacco or product made primarily from tobacco, other than a  
32 cigarette, that is intended for consumption by smoking or chewing or as snuff.

33            [(j)] (K)        “Other tobacco products manufacturer” means a person who:

1 (1) manufactures or otherwise produces other tobacco products intended  
2 for sale in this State, including other tobacco products intended for sale in the United States  
3 through an importer;

4 (2) (i) sells other tobacco products on which the tobacco tax has not  
5 been paid to a licensed other tobacco products wholesaler in Maryland;

6 (ii) sells other tobacco products on which the tobacco tax has not  
7 been paid and which may lawfully be sold in Maryland to a licensed other tobacco products  
8 wholesaler located outside Maryland;

9 (iii) unless otherwise prohibited or restricted under local law, this  
10 article, or the Criminal Law Article, distributes sample other tobacco products to  
11 consumers located in Maryland; or

12 (iv) stores other tobacco products in [an other] **ANOTHER** tobacco  
13 products storage warehouse in Maryland for subsequent shipment to licensed other tobacco  
14 products wholesalers, federal reservations, or persons out of state; or

15 (3) is a licensed other tobacco products manufacturer under this title.

16 **[(k)] (L)** “Other tobacco products retailer” means a person who:

17 (1) sells other tobacco products to consumers; or

18 (2) holds other tobacco products for sale to consumers.

19 **[(l)] (M)** “Other tobacco products storage warehouse” means a storage facility in  
20 Maryland operated for the purpose of storing other tobacco products on which the tobacco  
21 tax has not been paid on behalf of another tobacco products manufacturer.

22 **[(m)] (N)** “Other tobacco products wholesaler” means a person who:

23 (1) holds other tobacco products for sale to another person for resale; or

24 (2) sells other tobacco products to another person for resale.

25 **[(n)] (O)** (1) “Package” means a pack, box, carton, can, wrap, pouch, bag, or  
26 container of any kind designed for retail consumption in which other tobacco products are  
27 offered for sale, sold, or otherwise distributed.

28 (2) “Package” includes not more than 10 cigars offered for sale, sold, or  
29 distributed as single cigars.

1            [(o)] (P)        “Pipe tobacco” means any tobacco that, because of its appearance, type,  
2 packaging, or labeling, is suitable for use and likely to be offered to, or purchased by,  
3 consumers as tobacco to smoke in a pipe.

4            [(p)] (Q)        “Premium cigars” means cigars that:

5                    (1)        have hand-rolled wrappers made from whole tobacco leaves where the  
6 filler, binder, and wrapper are made of all tobacco, and may include adhesives or other  
7 materials used to maintain size, texture, or flavor; or

8                    (2)        are designated as premium cigars by the [Comptroller] **EXECUTIVE**  
9 **DIRECTOR** by regulation.

10           [(q)] (R)        “Sell” means to exchange or transfer, or to agree to exchange or  
11 transfer, title or possession of property, in any manner or by any means, for consideration.

12           [(r)] (S)        “Sell other tobacco products at retail” means to sell other tobacco  
13 products to a consumer.

14           [(s)] (T)        “Tobacconist” means an other tobacco products business that derives at  
15 least 70% of its revenues, measured by average daily receipts, from the sale of other tobacco  
16 products and tobacco-related accessories.

17 16.5–102.

18           The [Comptroller] **EXECUTIVE DIRECTOR** may delegate any power or duty of the  
19 [Comptroller under this title] **EXECUTIVE DIRECTOR**.

20 16.5–203.

21           (a)        An applicant for a license to act as a licensed other tobacco products  
22 manufacturer shall:

23                    (1)        submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
24 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
25 requires; and

26                    (2)        pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.

27           (b)        (1)        An applicant for a license to act as an other tobacco products retailer or  
28 a tobacconist:

29                    (i)        shall obtain a county license by submitting to the clerk an  
30 application for each permanent or temporary place of business located in the same  
31 enclosure and operated by the same applicant; and

1 (ii) except as provided in paragraph (2) of this subsection, shall pay  
2 to the clerk a fee of \$15.

3 (2) A person who has a license issued under Title 16 of this article to act as  
4 a cigarette retailer or to act as a special cigarette retailer is not required to pay the license  
5 fee.

6 (3) The application shall:

7 (i) be made on the form that the clerk requires; and

8 (ii) contain the information that the [Comptroller] **EXECUTIVE**  
9 **DIRECTOR** requires.

10 (c) An applicant for a license to act as an other tobacco products storage  
11 warehouse shall:

12 (1) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
13 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
14 requires; and

15 (2) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.

16 (d) (1) An applicant for a license to act as an other tobacco products wholesaler  
17 shall:

18 (i) submit an application to the [Comptroller] **EXECUTIVE**  
19 **DIRECTOR** on the form and containing the information that the [Comptroller]  
20 **EXECUTIVE DIRECTOR** requires; and

21 (ii) except as provided in paragraph (2) of this subsection, pay to the  
22 [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$250.

23 (2) A person who has a license issued under Title 16 of this article to act as  
24 a cigarette wholesaler or to act as a cigarette subwholesaler is not required to pay the  
25 license fee.

26 (e) A licensee shall display a license in the way that the [Comptroller]  
27 **EXECUTIVE DIRECTOR** requires by regulation.

28 (f) If a person has had a license revoked under § 16.5–208 of this subtitle, the  
29 person may not reapply for a license within 1 year after the date when the prior license was  
30 revoked.

31 16.5–204.

1 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall issue an appropriate license  
2 to each applicant who meets the requirements of this subtitle for a license to act as a  
3 licensed other tobacco products manufacturer, other tobacco products storage warehouse,  
4 or other tobacco products wholesaler.

5 16.5–205.

6 (a) An other tobacco products manufacturer may:

7 (5) on approval of the [Comptroller] **EXECUTIVE DIRECTOR**, act as an  
8 agent of a Maryland other tobacco products wholesaler for distribution of other tobacco  
9 products.

10 (d) An other tobacco products wholesaler license authorizes the licensee to:

11 (5) sell other tobacco products on which the tobacco tax has not been paid  
12 to another licensed other tobacco products wholesaler if the [Comptroller] **EXECUTIVE**  
13 **DIRECTOR** specifically authorizes; and

14 16.5–207.

15 (a) (1) A licensed other tobacco products retailer or a licensed tobacconist may  
16 not assign the license.

17 (2) If a licensed other tobacco products wholesaler sells the licensee's other  
18 tobacco products business and pays to the [Comptroller] **EXECUTIVE DIRECTOR** a license  
19 assignment fee of \$10, the licensee may assign the license to the buyer of the business, if  
20 the buyer otherwise qualifies under this title for an other tobacco products wholesaler's  
21 license.

22 (b) If the other tobacco products business of a licensee is transferred because of  
23 bankruptcy, death, incompetency, receivership, or otherwise by operation of law, the  
24 [Comptroller] **EXECUTIVE DIRECTOR** shall transfer the license without charge to the new  
25 owner of the licensee's business, if the transferee otherwise qualifies under this title for the  
26 license being transferred.

27 (c) (1) If a licensed other tobacco products wholesaler surrenders the license  
28 to the [Comptroller] **EXECUTIVE DIRECTOR** and if no disciplinary proceedings are  
29 pending against the licensee, the [Comptroller] **EXECUTIVE DIRECTOR** shall refund a pro  
30 rata part of the license fee for the unexpired term of the license.

31 (2) A licensed other tobacco products retailer or a licensed tobacconist is  
32 not allowed a refund for the unexpired term of the license.

33 16.5–208.

1 (a) Subject to the hearing provisions of § 16.5–209 of this subtitle, the  
2 [Comptroller] **EXECUTIVE DIRECTOR** may deny a license to an applicant, reprimand a  
3 licensee, or suspend or revoke a license if the applicant or licensee:

4 (1) fraudulently or deceptively obtains or attempts to obtain a license for  
5 the applicant or licensee or for another person;

6 (2) fraudulently or deceptively uses a license;

7 (3) buys other tobacco products for resale:

8 (i) in violation of a license; or

9 (ii) from a person who is not an other tobacco products manufacturer  
10 or licensed other tobacco products wholesaler;

11 (4) is convicted, under the laws of the United States or of any other state,  
12 of:

13 (i) a felony; or

14 (ii) a misdemeanor that is a crime of moral turpitude and is directly  
15 related to the fitness and qualification of the applicant or licensee;

16 (5) violates Title 12 of the Tax – General Article or regulations adopted  
17 under that title; or

18 (6) violates this title or Title 16 of this article or regulations adopted under  
19 these titles.

20 (b) Subject to the hearing provisions of § 16.5–209 of this subtitle, the  
21 [Comptroller] **EXECUTIVE DIRECTOR** shall deny a license to any applicant who has had  
22 a license revoked under this section until:

23 (1) 1 year has passed since the license was revoked; and

24 (2) it satisfactorily appears to the [Comptroller] **EXECUTIVE DIRECTOR**  
25 that the applicant will comply with this title and any regulations adopted under this title.

26 (c) Prior to the issuance or renewal of any license, the [Comptroller] **EXECUTIVE**  
27 **DIRECTOR** shall conduct an investigation with regard to:

28 (1) the applicant;

29 (2) the business to be operated; and



1 (3) the facts set forth in the application.

2 16.5–209.

3 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
4 before the [Comptroller] **EXECUTIVE DIRECTOR** takes any final action under § 16.5–208  
5 of this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
6 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
7 **EXECUTIVE DIRECTOR**.

8 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
9 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

10 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
11 proceeding under this section.

12 (d) The person against whom the action is contemplated may be represented at  
13 the hearing by counsel.

14 (e) If, after due notice, the person against whom the action is contemplated does  
15 not appear, nevertheless the [Comptroller] **EXECUTIVE DIRECTOR** may hear and  
16 determine the matter.

17 16.5–210.

18 (a) Subject to the notice requirement of subsection (c) of this section, if a licensee  
19 engages in an act or omission that is a ground for discipline under § 16.5–208 of this  
20 subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** may suspend the license for a  
21 consecutive period that:

22 (1) for a first offense, is not less than 5 nor more than 20 business days; or

23 (2) for a subsequent offense, is not less than 20 business days nor more  
24 than 6 months.

25 (b) Subject to the notice requirement under subsection (c) of this section, the  
26 [Comptroller] **EXECUTIVE DIRECTOR** may revoke a license if a licensee:

27 (1) willfully and persistently engages in an act or omission that is a ground  
28 for discipline under § 16.5–208(a) of this subtitle; or

29 (2) violates this title or Title 12 of the Tax – General Article or regulations  
30 adopted under these titles.

31 (c) If a license is suspended or revoked under this section:

1 (1) the [Comptroller] **EXECUTIVE DIRECTOR** shall give the licensee  
2 notice of the suspension or revocation; and

3 (2) the suspension or revocation may not take effect until at least 5  
4 business days following notice of the suspension or revocation.

5 (d) The transfer, renewal, or expiration of a license will not bar or abate a  
6 disciplinary action under this section.

7 (e) (1) Except for a violation of § 10–107 of the Criminal Law Article, whenever  
8 any license issued under the provisions of this subtitle is suspended or revoked by the  
9 [Comptroller] **EXECUTIVE DIRECTOR**, the licensee may, before the effective date of the  
10 suspension or revocation, petition the [Comptroller] **EXECUTIVE DIRECTOR** for  
11 permission to make an offer of compromise consisting of a sum of money in lieu of serving  
12 the suspension or revocation.

13 (2) Money paid in lieu of suspension or revocation shall be paid into the  
14 General Fund of the State.

15 (3) An offer of compromise may not exceed \$2,000 in the case of retail  
16 licensees and may not exceed \$50,000 for other licensees.

17 (4) The [Comptroller] **EXECUTIVE DIRECTOR** may accept the offer of  
18 compromise if:

19 (i) the public welfare and morals would not be impaired by allowing  
20 the licensee to operate during the period set for the suspension or revocation; and

21 (ii) the payment of the sum of money will achieve the desired  
22 disciplinary purposes.

23 (5) The [Comptroller] **EXECUTIVE DIRECTOR** may adopt regulations to  
24 carry out this subsection.

25 16.5–211.

26 A party to a proceeding before the [Comptroller] **EXECUTIVE DIRECTOR** who is  
27 aggrieved by a final decision of the [Comptroller] **EXECUTIVE DIRECTOR** in a contested  
28 case, as defined in § 10–202 of the State Government Article, is entitled to judicial review  
29 as provided in §§ 10–222 and 10–223 of the State Government Article.

30 16.5–213.

31 (a) (1) The [Comptroller] **EXECUTIVE DIRECTOR** shall pay into the General  
32 Fund of the State all license fees collected under this title.

1           (2) All license fees collected by the counties are subject to the distribution  
2 provisions of § 17–206 of this article.

3           (b) The General Assembly intends that these license fees be used to administer  
4 this title.

5 16.5–214.

6           (b) (1) Except as provided in paragraph (2) of this subsection, each other  
7 tobacco products wholesaler shall make an inventory record each month of all other tobacco  
8 products on the premises or under the control of the other tobacco products wholesaler:

9                   (i) at the beginning or end of the month; or

10                   (ii) on another specific day of the month, if the other tobacco products  
11 wholesaler finds it more practical to take inventory on that day and notifies the  
12 [Comptroller] **EXECUTIVE DIRECTOR** that inventory will be taken on that day.

13           (2) Other tobacco products transferred to retail stock by written  
14 memorandum need not be included in the inventory record.

15           (c) Each other tobacco products wholesaler shall:

16                   (1) keep the records required by this section for 6 years or for a shorter time  
17 set by the [Comptroller] **EXECUTIVE DIRECTOR**; and

18                   (2) allow the [Comptroller] **EXECUTIVE DIRECTOR** to examine the  
19 records.

20 16.5–215.

21           (b) The [Comptroller] **EXECUTIVE DIRECTOR** by regulation may require a  
22 common carrier that brings other tobacco products into the State to submit to the  
23 [Comptroller] **EXECUTIVE DIRECTOR** a copy of any freight bill relating to the other  
24 tobacco products shipment.

25 16.5–216.

26           (c) A person who ships, imports, or sells other tobacco products into or within this  
27 State in violation of this section is subject to disciplinary action by the [Comptroller]  
28 **EXECUTIVE DIRECTOR** under § 16.5–208 of this subtitle and to the penalty specified in §  
29 13–1015 of the Tax – General Article.

30 16.5–217.

1 (c) (1) A licensee who sells or ships other tobacco products in violation of this  
2 section or causes other tobacco products to be shipped in violation of this section is:

3 (i) subject to discipline by the [Comptroller] **EXECUTIVE**  
4 **DIRECTOR** under § 16.5–208 of this subtitle; and

5 (ii) guilty of a felony and on conviction is subject to a fine not  
6 exceeding \$50 for each package of other tobacco products transported or imprisonment not  
7 exceeding 2 years or both.

8 16.7–101.

9 (a) In this title the following words have the meanings indicated.

10 (b) “County license” means a license issued by the clerk to sell electronic nicotine  
11 delivery systems to consumers in a county.

12 (c) (1) “Electronic nicotine delivery system” means an electronic device, a  
13 component for an electronic device, or a product used to refill or resupply an electronic  
14 device that can be used to deliver nicotine to an individual inhaling from the device.

15 (2) “Electronic nicotine delivery system” includes an electronic cigarette,  
16 an electronic cigar, an electronic cigarillo, an electronic pipe, and vaping liquid.

17 (3) “Electronic nicotine delivery system” does not include:

18 (i) a nicotine device that contains or delivers nicotine intended for  
19 human consumption if the device has been approved by the United States Food and Drug  
20 Administration for sale as a tobacco cessation product and is being marketed and sold solely  
21 for that purpose;

22 (ii) cannabis oil or any other unlawful substance; or

23 (iii) an electronic device that is being used to deliver cannabis oil or  
24 another unlawful substance.

25 (d) “Electronic nicotine delivery systems manufacturer” means a person that:

26 (1) manufactures, mixes, or otherwise produces electronic nicotine delivery  
27 systems intended for sale in the State, including electronic nicotine delivery systems  
28 intended for sale in the United States through an importer; and

29 (2) (i) sells electronic nicotine delivery systems to a consumer, if the  
30 consumer purchases or orders the systems through the mail, a computer network, a  
31 telephonic network, or another electronic network, a licensed electronic nicotine delivery  
32 systems wholesaler distributor, or a licensed electronic nicotine delivery systems  
33 wholesaler importer in the State;

1 (ii) if the electronic nicotine delivery systems manufacturer also  
2 holds a license to act as an electronic nicotine delivery systems retailer or a vape shop  
3 vendor, sells electronic nicotine delivery systems to consumers located in the State; or

4 (iii) unless otherwise prohibited or restricted under local law, this  
5 article, or the Criminal Law Article, distributes sample electronic nicotine delivery systems  
6 to a licensed electronic nicotine delivery systems retailer or vape shop vendor.

7 (e) “Electronic nicotine delivery systems retailer” means a person that:

8 (1) sells electronic nicotine delivery systems to consumers;

9 (2) holds electronic nicotine delivery systems for sale to consumers; or

10 (3) unless otherwise prohibited or restricted under local law, this article,  
11 the Criminal Law Article, or § 24–305 of the Health – General Article, distributes sample  
12 electronic nicotine delivery systems to consumers in the State.

13 (f) “Electronic nicotine delivery systems wholesaler distributor” means a person  
14 that:

15 (1) obtains at least 70% of its electronic nicotine delivery systems from a  
16 holder of an electronic nicotine delivery systems manufacturer license under this subtitle  
17 or a business entity located in the United States; and

18 (2) (i) holds electronic nicotine delivery systems for sale to another  
19 person for resale; or

20 (ii) sells electronic nicotine delivery systems to another person for  
21 resale.

22 (g) “Electronic nicotine delivery systems wholesaler importer” means a person  
23 that:

24 (1) obtains at least 70% of its electronic nicotine delivery systems from a  
25 business entity located in a foreign country; and

26 (2) (i) holds electronic nicotine delivery systems for sale to another  
27 person for resale; or

28 (ii) sells electronic nicotine delivery systems to another person for  
29 resale.

30 (h) **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE**  
31 **ALCOHOL, TOBACCO, AND ~~MOTOR FUEL~~ COMMISSION.**

1           **(I)**    “License” means:

2                   (1)    a license issued by the [Comptroller] **EXECUTIVE DIRECTOR** under §  
3 16.7–203(a) of this title to:

4                           (i)    act as a licensed electronic nicotine delivery systems  
5 manufacturer;

6                           (ii)   act as a licensed electronic nicotine delivery systems wholesaler  
7 distributor; or

8                           (iii)  act as a licensed electronic nicotine delivery systems wholesaler  
9 importer; or

10                  (2)    a license issued by the clerk under § 16.7–203(b) of this title to:

11                           (i)    act as a licensed electronic nicotine delivery systems retailer; or

12                           (ii)   act as a licensed vape shop vendor.

13           **[(i)] (J)**    “Sell” means to exchange or transfer, or to agree to exchange or  
14 transfer, title or possession of property, in any manner or by any means, for consideration.

15           **[(j)] (K)**    “Vape shop vendor” means an electronic nicotine delivery systems  
16 business that derives at least 70% of its revenues, measured by average daily receipts, from  
17 the sale of electronic nicotine delivery systems and related accessories.

18           **[(k)] (L)**    “Vaping liquid” means a liquid that:

19                           (1)    consists of propylene glycol, vegetable glycerin, or other similar  
20 substance;

21                           (2)    may or may not contain natural or artificial flavors;

22                           (3)    may or may not contain nicotine; and

23                           (4)    converts to vapor intended for inhalation when heated in an electronic  
24 device.

25 16.7–102.

26           (a)    The [Comptroller] **EXECUTIVE DIRECTOR** may delegate any power or duty  
27 of the [Comptroller] **EXECUTIVE DIRECTOR** under this title.

28 16.7–202.

1 (a) (1) An applicant for a license to act as an electronic nicotine delivery  
2 systems manufacturer, electronic nicotine delivery systems wholesaler distributor, or  
3 electronic nicotine delivery systems wholesaler importer shall:

4 (i) obtain an appropriate county license by submitting an  
5 application to the [Comptroller] **EXECUTIVE DIRECTOR** on the form and containing the  
6 information that the [Comptroller] **EXECUTIVE DIRECTOR** requires;

7 (ii) indicate the licenses for which the applicant is applying; and

8 (iii) except as provided in paragraph (2) of this subsection, pay to the  
9 [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25 for each license for which the applicant  
10 applies.

11 (2) An applicant for a license to act as an electronic nicotine delivery  
12 systems wholesaler distributor or electronic nicotine delivery systems wholesaler importer  
13 shall pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$150.

14 (b) (1) An applicant for a license to act as an electronic nicotine delivery  
15 systems retailer or a vape shop vendor:

16 (i) shall obtain a county license by submitting to the clerk an  
17 application for each permanent or temporary place of business located in the same  
18 enclosure and operated by the same applicant; and

19 (ii) except as provided in paragraph (2) of this subsection, shall pay  
20 to the clerk a fee of \$25.

21 (2) The application shall:

22 (i) be made on the form that the clerk requires; and

23 (ii) contain the information that the [Comptroller] **EXECUTIVE**  
24 **DIRECTOR** requires.

25 (c) A licensee shall display a license in the way that the [Comptroller]  
26 **EXECUTIVE DIRECTOR** requires by regulation.

27 (d) If a person has had a license revoked under § 16.7–207 of this subtitle, the  
28 person may not reapply for a license within 1 year after the date when the prior license was  
29 revoked.

30 16.7–203.

31 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall issue an appropriate license  
32 to each applicant that meets the requirements of this subtitle for a license to act as an

1 electronic nicotine delivery systems manufacturer, electronic nicotine delivery systems  
2 wholesaler distributor, or electronic nicotine delivery systems wholesaler importer.

3 (b) The clerk shall issue to each applicant that meets the requirements of this  
4 subtitle a license to act as an electronic nicotine delivery systems retailer or a vape shop  
5 vendor.

6 (c) The clerk shall forward a copy of an application received for each license  
7 issued under subsection (b) of this section to the [Comptroller] **EXECUTIVE DIRECTOR**  
8 within 30 days [of] **AFTER** issuance of the license.

9 16.7–206.

10 (a) (1) A licensed electronic nicotine delivery systems retailer or a licensed  
11 vape shop vendor may not assign the license.

12 (2) If a licensed electronic nicotine delivery systems wholesaler distributor  
13 or electronic nicotine delivery systems wholesaler importer sells the licensee's electronic  
14 nicotine delivery systems business and pays to the [Comptroller] **EXECUTIVE DIRECTOR**  
15 a license assignment fee of \$10, the licensee may assign the license to the buyer of the  
16 business if the buyer otherwise qualifies under this title for an electronic nicotine delivery  
17 systems wholesaler's distributor or importer license.

18 (b) If the electronic nicotine delivery systems business of a licensee is transferred  
19 because of bankruptcy, death, incompetency, receivership, or otherwise by operation of law,  
20 the [Comptroller] **EXECUTIVE DIRECTOR** shall transfer the license without charge to the  
21 new owner of the licensee's business if the transferee otherwise qualifies under this title  
22 for the license being transferred.

23 (c) (1) If a licensed electronic nicotine delivery systems wholesaler distributor  
24 or electronic nicotine delivery systems wholesaler importer surrenders the license to the  
25 [Comptroller] **EXECUTIVE DIRECTOR** and if no disciplinary proceedings are pending  
26 against the licensee, the [Comptroller] **EXECUTIVE DIRECTOR** shall refund a pro rata  
27 portion of the license fee for the unexpired term of the license.

28 (2) A licensed electronic nicotine delivery systems retailer or a licensed  
29 vape shop vendor is not allowed a refund for the unexpired term of the license.

30 16.7–207.

31 (a) Subject to the hearing provisions of § 16.7–208 of this subtitle, the  
32 [Comptroller] **EXECUTIVE DIRECTOR** may deny a license to an applicant, reprimand a  
33 licensee, or suspend or revoke a license if the applicant or licensee:

34 (1) fraudulently or deceptively obtains or attempts to obtain a license for  
35 the applicant, licensee, or another person;



1 (2) fraudulently or deceptively uses a license;

2 (3) buys electronic nicotine delivery systems for resale:

3 (i) in violation of a license; or

4 (ii) from a person that is not a licensed electronic nicotine delivery  
5 systems manufacturer or a licensed electronic nicotine delivery systems wholesaler;

6 (4) is convicted, under the laws of the United States or of any other state,  
7 of:

8 (i) a felony; or

9 (ii) a misdemeanor that is a crime of moral turpitude and is directly  
10 related to the fitness and qualification of the applicant or licensee;

11 (5) violates federal, State, or local law regarding the sale of electronic  
12 nicotine delivery systems; or

13 (6) violates this title, Title 16, or Title 16.5 of this article or regulations  
14 adopted under these titles.

15 (b) Subject to the hearing provisions of § 16.7–208 of this subtitle, the  
16 **[Comptroller] EXECUTIVE DIRECTOR** shall deny a license to any applicant that has had  
17 a license revoked under this section until:

18 (1) 1 year has passed since the license was revoked; and

19 (2) it satisfactorily appears to the **[Comptroller] EXECUTIVE DIRECTOR**  
20 that the applicant will comply with this title and any regulations adopted under this title.

21 (c) Prior to the issuance or renewal of any license, the **[Comptroller] EXECUTIVE**  
22 **DIRECTOR** shall conduct an investigation with regard to:

23 (1) the applicant;

24 (2) the business to be operated; and

25 (3) the facts set forth in the application.

26 16.7–208.

27 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
28 before the **[Comptroller] EXECUTIVE DIRECTOR** takes any final action under § 16.7–207

1 of this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
2 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
3 **EXECUTIVE DIRECTOR**.

4 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
5 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

6 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
7 proceeding under this section.

8 (d) The person against which the action is contemplated may be represented at  
9 the hearing by counsel.

10 (e) If, after due notice, the person against which the action is contemplated does  
11 not appear, the [Comptroller] **EXECUTIVE DIRECTOR** may nevertheless hear and  
12 determine the matter.

13 16.7–209.

14 (a) Subject to the notice requirement of subsection (c) of this section, if a licensee  
15 engages in an act or omission that is grounds for discipline under § 16.7–207 of this subtitle,  
16 the [Comptroller] **EXECUTIVE DIRECTOR** may suspend the license for a consecutive  
17 period of time that:

18 (1) for a first offense, is not less than 5 and not more than 20 business days;  
19 and

20 (2) for a subsequent offense, is not less than 20 business days and not more  
21 than 6 months.

22 (b) Subject to the notice requirement under subsection (c) of this section, the  
23 [Comptroller] **EXECUTIVE DIRECTOR** may revoke a license if a licensee willfully and  
24 persistently engages in an act or omission that is grounds for discipline under § 16.7–207(a)  
25 of this subtitle.

26 (c) If a license is suspended or revoked under this section:

27 (1) the [Comptroller] **EXECUTIVE DIRECTOR** shall give the licensee  
28 notice of the suspension or revocation; and

29 (2) the suspension or revocation of a license may not bar or abate a  
30 disciplinary action under this section.

31 (d) The transfer, renewal, or expiration of a license may not bar or abate a  
32 disciplinary action under this section.

1 (e) (1) (i) Except as provided in subparagraph (ii) of this paragraph, if a  
2 license issued under the provisions of this subtitle is suspended or revoked by the  
3 [Comptroller] **EXECUTIVE DIRECTOR**, the licensee may, before the effective date of the  
4 suspension or revocation, petition the [Comptroller] **EXECUTIVE DIRECTOR** for  
5 permission to make an offer of compromise consisting of a sum of money in lieu of serving  
6 the suspension or revocation.

7 (ii) Subparagraph (i) of this paragraph does not apply if a license is  
8 suspended or revoked for a violation of § 24–305 of the Health – General Article, or any  
9 other federal, State, or local law prohibiting the sale of electronic nicotine delivery systems  
10 to minors.

11 (2) Money paid in lieu of suspension or revocation shall be paid into the  
12 General Fund of the State.

13 (3) An offer of compromise may not exceed \$2,000 for retail licensees or  
14 \$50,000 for other licensees.

15 (4) The [Comptroller] **EXECUTIVE DIRECTOR** may accept the offer of  
16 compromise if:

17 (i) the public welfare and morals would not be impaired by allowing  
18 the licensee to operate during the period set for the suspension or revocation; and

19 (ii) the payment of the sum of money will achieve the desired  
20 disciplinary purposes.

21 (5) The [Comptroller] **EXECUTIVE DIRECTOR** may adopt regulations to  
22 carry out this subsection.

23 16.7–210.

24 A party to a proceeding before the [Comptroller] **EXECUTIVE DIRECTOR** that is  
25 aggrieved by a final decision of the [Comptroller] **EXECUTIVE DIRECTOR** in a contested  
26 case, as defined in § 10–202 of the State Government Article, is entitled to judicial review  
27 as provided in §§ 10–222 and 10–223 of the State Government Article.

28 16.7–212.

29 (a) (1) The [Comptroller] **EXECUTIVE DIRECTOR** shall pay into the General  
30 Fund of the State all license fees collected under this title.

31 (2) All license fees collected by the counties under this title are subject to  
32 the distribution provisions of § 17–205 of this article.

1 (b) The General Assembly intends that these license fees be used to administer  
2 this title.

3 16.7–213.

4 (c) A person that ships, imports, or sells electronic nicotine delivery systems into  
5 or within the State in violation of this section is subject to disciplinary action by the  
6 [Comptroller] **EXECUTIVE DIRECTOR** under § 16.7–207 of this subtitle.

7 **Article – Tax – General**

8 ~~9–301.~~

9 (a) ~~In this subtitle the following words have the meanings indicated.~~

10 (b) (1) ~~“Blend” means to mix together any combination of:~~

11 (i) ~~alkylate;~~

12 (ii) ~~aromatic;~~

13 (iii) ~~cracked gasoline;~~

14 (iv) ~~natural gasoline;~~

15 (v) ~~polymer gasoline; or~~

16 (vi) ~~straight-run gasoline.~~

17 (2) ~~“Blend” does not include adding alcohol to gasoline.~~

18 (c) (1) ~~“Dealer” means a person who engages in the business of a dealer.~~

19 (2) ~~“Dealer” includes:~~

20 (i) ~~the State when it engages in the business of a dealer; and~~

21 (ii) ~~a political subdivision of the State when the subdivision engages~~  
22 ~~in the business of a dealer.~~

23 (d) (1) ~~“Distributor” means a person who engages in the business of a~~  
24 ~~distributor.~~

25 (2) ~~“Distributor” does not include:~~

26 (i) ~~a licensed dealer;~~

1 ~~(ii) a licensed special fuel seller;~~

2 ~~(iii) a licensed special fuel user;~~

3 ~~(iv) a licensed turbine fuel seller;~~

4 ~~(v) a marina; or~~

5 ~~(vi) a retail service station dealer.~~

6 ~~(e) (1) "Engage in the business of a dealer" means to:~~

7 ~~(i) import any gasoline into the State;~~

8 ~~(ii) blend, in the State, any gasoline on which the motor fuel tax has~~  
9 ~~not been paid;~~

10 ~~(iii) refine, in the State, any gasoline on which the motor fuel tax has~~  
11 ~~not been paid; or~~

12 ~~(iv) acquire, in the State, any gasoline on which the motor fuel tax~~  
13 ~~has not been paid, for:~~

14 ~~1. export; or~~

15 ~~2. wholesale distribution.~~

16 ~~(2) "Engage in the business of a dealer" does not include bringing gasoline~~  
17 ~~into the State in the fuel supply tank of an aircraft, motor vehicle, or vessel.~~

18 ~~(f) "Engage in the business of a distributor" means to buy for resale motor fuel~~  
19 ~~on which the motor fuel tax has been paid from a licensed dealer, licensed special fuel seller,~~  
20 ~~licensed special fuel user, or licensed turbine fuel seller.~~

21 ~~(g) (1) "Engage in the business of a special fuel seller" means, with respect to~~  
22 ~~special fuel other than turbine fuel, to:~~

23 ~~(i) import any special fuel into the State;~~

24 ~~(ii) sell, in the State, any special fuel on which the motor fuel tax has~~  
25 ~~not been paid; or~~

26 ~~(iii) deliver, in the State, any special fuel on which the motor fuel tax~~  
27 ~~has not been paid.~~

28 ~~(2) "Engage in the business of a special fuel seller" does not include~~  
29 ~~bringing special fuel into the State in the fuel supply tank of a motor vehicle or vessel.~~

1       ~~(h) “Engage in the business of a special fuel user” means to:~~

2             ~~(1) buy special fuel on which the motor fuel tax has not been paid; and~~

3             ~~(2) use it in a motor vehicle that is:~~

4                 ~~(i) owned or operated by the special fuel user; and~~

5                 ~~(ii) registered to operate on a public highway.~~

6       ~~(i) (1) “Engage in the business of a turbine fuel seller” means to:~~

7             ~~(i) import any turbine fuel into the State;~~

8             ~~(ii) sell, in the State, any turbine fuel on which the motor fuel tax~~  
9 ~~has not been paid; or~~

10            ~~(iii) deliver, in the State, any turbine fuel on which the motor fuel tax~~  
11 ~~has not been paid.~~

12            ~~(2) “Engage in the business of a turbine fuel seller” does not include~~  
13 ~~bringing turbine fuel into the State in the fuel supply tank of an aircraft.~~

14       ~~**(j) “EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE**~~  
15 ~~**ALCOHOL, TOBACCO, AND MOTOR FUEL COMMISSION.**~~

16       ~~**[(j)] (k) “License” means a license issued by the Comptroller under this subtitle**~~  
17 ~~**to engage in the business of a dealer, distributor, special fuel seller, special fuel user, or**~~  
18 ~~**turbine fuel seller.**~~

19       ~~**[(k)] (l) “Licensed dealer” means a person who is licensed to engage in the**~~  
20 ~~**business of a dealer.**~~

21       ~~**[(l)] (m) “Licensed distributor” means a person who is licensed to engage in the**~~  
22 ~~**business of a distributor.**~~

23       ~~**[(m)] (n) “Licensed special fuel seller” means a person who is licensed to engage**~~  
24 ~~**in the business of a special fuel seller.**~~

25       ~~**[(n)] (o) “Licensed special fuel user” means a person who is licensed to engage**~~  
26 ~~**in the business of a special fuel user.**~~

27       ~~**[(o)] (p) “Licensed turbine fuel seller” means a person who is licensed to engage**~~  
28 ~~**in the business of a turbine fuel seller.**~~

1 ~~[(p)] (Q)~~ “Marina” means a person who maintains a place of business where  
2 motor fuel is sold primarily to vessels.

3 ~~[(q)] (R)~~ “Refine” means to make crude oil into gasoline or special fuel by  
4 changing the physical or chemical characteristics of the crude oil.

5 ~~[(r)] (S)~~ “Retail service station dealer” means a person who operates a retail  
6 place of business where motor fuel is sold and delivered into the fuel supply tanks of motor  
7 vehicles.

8 ~~[(s)] (T)~~ (1) “Special fuel seller” means a person who engages in the business  
9 of a special fuel seller.

10 ~~(2)~~ “Special fuel seller” does not include:

11 ~~(i)~~ a retail service station dealer who pays the motor fuel tax on  
12 special fuel to the supplier of the special fuel; or

13 ~~(ii)~~ a marina that sells special fuel only to vessels.

14 ~~[(t)] (U)~~ (1) “Special fuel user” means a person who engages in the business  
15 of a special fuel user.

16 ~~(2)~~ “Special fuel user” does not include:

17 ~~(i)~~ a person whose only storage for special fuel is the fuel supply  
18 tank of a motor vehicle;

19 ~~(ii)~~ a volunteer fire or nonprofit volunteer rescue company that is  
20 incorporated in the State and buys special fuel from a licensed special fuel seller to operate  
21 fire fighting vehicles or equipment; or

22 ~~(iii)~~ a person who pays the motor fuel tax on all special fuels to the  
23 supplier of the special fuels.

24 ~~[(u)] (V)~~ “Turbine fuel seller” means a person who engages in the business of a  
25 turbine fuel seller.

26 ~~9-310.~~

27 ~~(a)~~ Each dealer, distributor, special fuel seller, or turbine fuel seller who sells  
28 motor fuel shall give the buyer an original invoice that includes:

29 ~~(1)~~ the name under which the ~~[Comptroller]~~ **EXECUTIVE DIRECTOR**  
30 licenses the seller; and

- 1           ~~(2) a statement:~~
- 2                   ~~(i) of the amount of motor fuel tax charged; or~~
- 3                   ~~(ii) if tax is not charged, that the "Maryland motor fuel tax is not~~  
 4 ~~included".~~
- 5 ~~9-318.~~

6           ~~A person shall be licensed by the [Comptroller] EXECUTIVE DIRECTOR before the~~  
 7 ~~person may engage, in the State, in the business of:~~

- 8           ~~(1) a dealer;~~
- 9           ~~(2) a distributor;~~
- 10          ~~(3) a special fuel seller;~~
- 11          ~~(4) a special fuel user; or~~
- 12          ~~(5) a turbine fuel seller.~~

13 ~~9-320.~~

14          ~~(a) An applicant for a license shall submit to the [Comptroller] EXECUTIVE~~  
 15 ~~DIRECTOR:~~

16           ~~(1) a completed application, on the form that the [Comptroller]~~  
 17 ~~EXECUTIVE DIRECTOR requires, that:~~

- 18                   ~~(i) is made under oath;~~
- 19                   ~~(ii) states the name under which the applicant does or will do~~  
 20 ~~business in the State;~~
- 21                   ~~(iii) states, for partnerships, the name of each partner;~~
- 22                   ~~(iv) states, for firms, the name of each member; and~~
- 23                   ~~(v) states, for corporations, the names and addresses of its principal~~  
 24 ~~officers, resident agent, and attorney in fact; and~~

25          ~~(2) the bond required under Title 13 of this article.~~

26          ~~(b) An applicant for an exemption certificate shall submit a completed~~  
 27 ~~application, on the form that the [Comptroller] EXECUTIVE DIRECTOR requires, that:~~



1           ~~(1) is made under oath;~~

2           ~~(2) states the name under which the applicant does or will do business in~~  
3 ~~the State;~~

4           ~~(3) states, for partnerships, the name of each partner;~~

5           ~~(4) states, for firms, the name of each member; and~~

6           ~~(5) states, for corporations, the names and addresses of its principal~~  
7 ~~officers, resident agent, and attorney in fact.~~

8           ~~(e) The [Comptroller] EXECUTIVE DIRECTOR shall keep and index:~~

9           ~~(1) each application filed under this section;~~

10           ~~(2) each bond filed under this section; and~~

11           ~~(3) a record of:~~

12                   ~~(i) each licensee; and~~

13                   ~~(ii) each holder of an exemption certificate.~~

14 ~~§ 321.~~

15           ~~(a) The [Comptroller] EXECUTIVE DIRECTOR shall issue a license of the~~  
16 ~~appropriate class to each applicant who meets the requirements of this subtitle.~~

17           ~~(b) The [Comptroller] EXECUTIVE DIRECTOR shall issue an exemption~~  
18 ~~certificate to each applicant who meets the requirements of this subtitle.~~

19 ~~§ 322.~~

20           ~~(a) A Class "A" license authorizes the licensee to:~~

21           ~~(1) import into this State gasoline on which the motor fuel tax has not been~~  
22 ~~paid;~~

23           ~~(2) export from this State gasoline on which the motor fuel tax has not been~~  
24 ~~paid; and~~

25           ~~(3) acquire in this State from another holder of a Class "A" license gasoline~~  
26 ~~on which the motor fuel tax has not been paid.~~

1           ~~(b) (1) A Class "B" license authorizes the licensee to import into this State~~  
2 ~~gasoline on which the motor fuel tax has not been paid, for personal use or for~~  
3 ~~redistribution.~~

4           ~~(2) A holder of a Class "B" license may not acquire in this State gasoline on~~  
5 ~~which the motor fuel tax has not been paid.~~

6           ~~(e) (1) A Class "C" license authorizes the licensee to:~~

7                   ~~(i) acquire, in this State, from a supplier whom the [Comptroller]~~  
8 ~~EXECUTIVE DIRECTOR specifically approves, gasoline on which the motor fuel tax has~~  
9 ~~not been paid; and~~

10                   ~~(ii) export that gasoline.~~

11           ~~(2) A holder of a Class "C" license may not import into this State gasoline~~  
12 ~~on which the motor fuel tax has not been paid.~~

13           ~~(d) (1) A Class "D" license authorizes the licensee to acquire, in this State,~~  
14 ~~gasoline on which the motor fuel tax has not been paid from:~~

15                   ~~(i) a holder of a Class "A" license; or~~

16                   ~~(ii) another holder of a Class "D" license.~~

17           ~~(2) Unless authorized by the [Comptroller] EXECUTIVE DIRECTOR, a~~  
18 ~~holder of a Class "D" license may not import into this State gasoline on which the motor~~  
19 ~~fuel tax has not been paid.~~

20           ~~(e) A Class "F" license authorizes the licensee to engage, in this State, in the~~  
21 ~~business of a turbine fuel seller.~~

22           ~~(f) (1) A Class "G Temporary" license authorizes the licensee during the term~~  
23 ~~of the federal contract for which the license is issued to:~~

24                   ~~(i) acquire, in this State, gasoline on which the motor fuel tax has~~  
25 ~~not been paid, in the amount that the contract specifies and from a supplier whom the~~  
26 ~~[Comptroller] EXECUTIVE DIRECTOR specifically approves; and~~

27                   ~~(ii) deliver that amount to the location that the contract specifies.~~

28           ~~(2) A Class "G Temporary" license may be extended if:~~

29                   ~~(i) the original federal contract is extended; or~~

1                   (ii) ~~during the term of the license, another contract is awarded to the~~  
2 ~~licensee.~~

3           (g) ~~A Class "S" license authorizes a licensee to engage, in this State, in the~~  
4 ~~business of a special fuel seller.~~

5           (h) ~~A Class "U" license authorizes a licensee to engage, in this State, in the~~  
6 ~~business of a special fuel user.~~

7           (i) ~~A Class "W" license authorizes a licensee to engage, in this State, in the~~  
8 ~~business of a distributor.~~

9           (j) ~~A dealer who holds any class of license because the dealer was licensed before~~  
10 ~~July 1, 1985 has the privileges authorized for that class until the dealer is required to apply~~  
11 ~~for a new license, in accordance with regulations of the [Comptroller] EXECUTIVE~~  
12 ~~DIRECTOR in effect as of July 1, 1985.~~

13           (k) ~~As indicated on an exemption certificate, the certificate authorizes the holder~~  
14 ~~to acquire, in bulk and without paying the motor fuel tax:~~

15                   (1) ~~special fuel other than turbine fuel; or~~

16                   (2) ~~turbine fuel.~~

17 ~~9-326.~~

18           (a) ~~To obtain proper identification of a person who receives, buys, sells, or uses~~  
19 ~~motor fuel, the [Comptroller] EXECUTIVE DIRECTOR may:~~

20                   (1) ~~require information necessary to assign an identification number to the~~  
21 ~~person; and~~

22                   (2) ~~assign a license or other identification number to the person.~~

23           (b) ~~A person required to file a return or other document under this subtitle shall~~  
24 ~~include the identification number of the person filing and of each other person listed in the~~  
25 ~~other document.~~

26           (e) ~~A person who is to be listed in any return or other document filed by another~~  
27 ~~person under this subtitle shall give the appropriate identification number to the person~~  
28 ~~who is required to file the document.~~

29 ~~9-327.~~

30           (a) ~~To obtain an exemption under § 9-303(a), (b), or (c) of this subtitle, a dealer,~~  
31 ~~distributor, special fuel seller, special fuel user, or turbine fuel seller shall complete and~~

1 ~~submit any certificates and reports that the [Comptroller] EXECUTIVE DIRECTOR~~  
2 ~~requires, by regulation.~~

3 (b) ~~If the holder of an exemption certificate changes the use of any special fuel~~  
4 ~~obtained under that certificate to a taxable use, the holder shall give the [Comptroller]~~  
5 ~~EXECUTIVE DIRECTOR written notice of the change within 5 days after the first change.~~

6 ~~9-328.~~

7 Subject to the hearing provisions of § 9-329 of this subtitle, the [Comptroller]  
8 EXECUTIVE DIRECTOR may deny a license or exemption certificate to any applicant, if  
9 the applicant:

10 (1) ~~fraudulently or deceptively has obtained or attempts to obtain a license~~  
11 ~~or exemption certificate for the applicant or another person;~~

12 (2) ~~previously has had a license or exemption certificate canceled for cause;~~  
13 ~~or~~

14 (3) ~~in the judgment of the [Comptroller] EXECUTIVE DIRECTOR, has not~~  
15 ~~filed an application in good faith.~~

16 ~~9-329.~~

17 (a) ~~Except as otherwise provided in § 10-226 of the State Government Article,~~  
18 ~~before the [Comptroller] EXECUTIVE DIRECTOR takes any action under § 9-328 of this~~  
19 ~~subtitle, the [Comptroller] EXECUTIVE DIRECTOR shall give the person against whom~~  
20 ~~the action is contemplated an opportunity for a hearing before the [Comptroller]~~  
21 ~~EXECUTIVE DIRECTOR.~~

22 (b) (1) ~~The [Comptroller] EXECUTIVE DIRECTOR shall give notice and hold~~  
23 ~~the hearing in accordance with Title 10, Subtitle 2 of the State Government Article.~~

24 (2) ~~The notice shall be sent so that the applicant has at least 5 days' notice~~  
25 ~~before the hearing.~~

26 (e) ~~The [Comptroller] EXECUTIVE DIRECTOR may administer oaths in~~  
27 ~~connection with any proceeding under this section.~~

28 ~~9-330.~~

29 Subject to § 9-331 of this subtitle, the [Comptroller] EXECUTIVE DIRECTOR may  
30 cancel a license or exemption certificate if the licensee or certificate holder:

31 (1) ~~files false information under this subtitle;~~

1           ~~(2) fails to file a report required under this subtitle;~~

2           ~~(3) fails to give the [Comptroller] EXECUTIVE DIRECTOR the notice of a~~  
3 ~~change in use required under § 9-327(b) of this subtitle;~~

4           ~~(4) fails to pay any motor fuel tax, interest, or penalty due under this~~  
5 ~~subtitle;~~

6           ~~(5) violates any requirement for the class of license held;~~

7           ~~(6) violates any regulation adopted under this subtitle;~~

8           ~~(7) fails to maintain the bond required under Title 13 of this article;~~

9           ~~(8) stops engaging for more than 6 consecutive months in the business for~~  
10 ~~which licensed; or~~

11           ~~(9) fails to keep records required under this article, Title 10, Subtitle 3 of~~  
12 ~~the Business Regulation Article, or an applicable regulation.~~

13 ~~9-331.~~

14           ~~(A) If the [Comptroller] EXECUTIVE DIRECTOR cancels a license or exemption~~  
15 ~~certificate under § 9-330 of this subtitle, the [Comptroller] EXECUTIVE DIRECTOR shall~~  
16 ~~notify the licensee or certificate holder in writing sent to the last known address of the~~  
17 ~~licensee or certificate holder.~~

18           ~~(B) The notice shall be sent by certified mail, return receipt requested, under a~~  
19 ~~postmark of the United States Postal Service.~~

20 ~~9-332.~~

21           ~~(A) Any person aggrieved by a cancellation under § 9-330 of this subtitle or by a~~  
22 ~~final decision of the [Comptroller] EXECUTIVE DIRECTOR in a contested case as defined~~  
23 ~~in § 10-202 of the State Government Article may appeal to the appropriate circuit court.~~

24           ~~(B) The appeal shall be filed within 30 days after the mailing date of the final~~  
25 ~~decision or notice of cancellation.~~

26 ~~9-333.~~

27           ~~(A) A licensee may request in writing that the [Comptroller] EXECUTIVE~~  
28 ~~DIRECTOR cancel a license held by the licensee.~~

1 ~~(B) The [Comptroller] EXECUTIVE DIRECTOR shall notify the licensee in~~  
2 ~~writing of the decision on the request. If the request is granted, the cancellation takes effect~~  
3 ~~on the last day of the month in which the request is received.~~

4 ~~9-335.~~

5 ~~The [Comptroller] EXECUTIVE DIRECTOR shall surrender the bond filed by a~~  
6 ~~licensee if:~~

7 ~~(1) the license is revoked or canceled; and~~

8 ~~(2) the licensee has paid all motor fuel taxes, interest, and penalties that~~  
9 ~~are due.~~

10 ~~9-336.~~

11 ~~(a) The Motor Vehicle Administration shall send promptly to the [Comptroller]~~  
12 ~~EXECUTIVE DIRECTOR the name and address of a person who registers a motor vehicle~~  
13 ~~propelled by special fuel for operation on public highways.~~

14 ~~(b) The [Comptroller] EXECUTIVE DIRECTOR shall notify immediately the~~  
15 ~~Motor Vehicle Administration if:~~

16 ~~(1) the [Comptroller] EXECUTIVE DIRECTOR cancels a license or~~  
17 ~~exemption certificate issued under this subtitle or suspends or revokes an identification~~  
18 ~~marker, a permit, or temporary authority issued to a motor carrier under Subtitle 2 of this~~  
19 ~~title for failure to comply with the provisions of this subtitle or Subtitle 2 of this title; or~~

20 ~~(2) the [Comptroller] EXECUTIVE DIRECTOR knows that a licensee,~~  
21 ~~exemption certificate holder, or motor carrier has violated the provisions of this subtitle or~~  
22 ~~Subtitle 2 of this title.~~

23 ~~(c) On receipt of a notice under subsection (b) of this section, the Motor Vehicle~~  
24 ~~Administration shall suspend or revoke the appropriate registration.~~

25 ~~(d) (1) If the [Comptroller] EXECUTIVE DIRECTOR is satisfied with the~~  
26 ~~corrective action taken by the licensee or certificate holder, the [Comptroller] EXECUTIVE~~  
27 ~~DIRECTOR may reinstate the license or exemption certificate.~~

28 ~~(2) If the license or exemption certificate is reinstated, the [Comptroller]~~  
29 ~~EXECUTIVE DIRECTOR shall give the Motor Vehicle Administration notice of the~~  
30 ~~reinstatement and the Motor Vehicle Administration shall reinstate the registration of the~~  
31 ~~licensee or exemption certificate holder.~~

32 ~~9-337.~~

1 ~~(a) A person may not engage in the business of a dealer, a distributor, a special~~  
2 ~~fuel seller, a special fuel user, or a turbine fuel seller without a license issued by the~~  
3 ~~[Comptroller] EXECUTIVE DIRECTOR under this subtitle.~~

4 ~~(b) A dealer, distributor, special fuel seller, special fuel user, or turbine fuel seller~~  
5 ~~may not receive motor fuel without a license issued by the [Comptroller] EXECUTIVE~~  
6 ~~DIRECTOR under this subtitle.~~

7 ~~(c) A person may not transfer motor fuel on which motor fuel tax is due and has~~  
8 ~~not been paid to a person who does not hold a license or exemption certificate issued by the~~  
9 ~~[Comptroller] EXECUTIVE DIRECTOR under this subtitle.~~

10 13-203.

11 (c) Tax information may be disclosed to:

12 (1) an employee or officer of the State who, by reason of that employment  
13 or office, has the right to the tax information;

14 (2) another tax collector;

15 (3) the Maryland Tax Court;

16 (4) a legal representative of the State, to review the tax information about  
17 a taxpayer:

18 (i) who applies for review under this title;

19 (ii) who appeals from a determination under this title; or

20 (iii) against whom an action to recover tax or a penalty is pending or  
21 will be initiated under this title;

22 (5) any license issuing authority of the State required by State law to verify  
23 through the Comptroller that an applicant has paid all undisputed taxes and  
24 unemployment insurance contributions payable to the Comptroller or the Secretary of  
25 Labor, Licensing, and Regulation or that the applicant has provided for payment in a  
26 manner satisfactory to the unit responsible for collection;

27 (6) a local official as defined in § 13-925 of this title to the extent necessary  
28 to administer Subtitle 9, Part V of this title;

29 (7) a federal official as defined in § 13-930 of this title to the extent  
30 necessary to administer Subtitle 9, Part VI of this title;

1           (8) the Maryland Department of Health in accordance with the federal  
2 Children's Health Insurance Program Reauthorization Act of 2009; [and]

3           (9) the State Board of Individual Tax Preparers; AND

4           **(10) THE ALCOHOL AND TOBACCO COMMISSION.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That ~~the~~:

6           (a) The Alcohol and Tobacco Commission shall conduct a feasibility study *on or*  
7 *before December 1, ~~2019~~ 2021,* for maintaining a statewide database of individuals trained  
8 in an alcohol awareness program, in which:

9           (1) an accurate statewide database of all alcoholic beverages licenses is to  
10 be annually updated; and

11           (2) a list of licenses:

12                   (i) is to be maintained for at least 3 years before being archived; but

13                   (ii) is not to be destroyed.

14           (b) The feasibility study shall be submitted on or before December 31, ~~2019~~ 2021,  
15 to the Governor and, in accordance with § 2-1246 of the State Government Article, the  
16 General Assembly.

17           SECTION 3. AND BE IT FURTHER ENACTED, That the initial terms of the  
18 members of the Alcohol, and Tobacco,~~and Motor Fuel~~ Commission appointed under Section  
19 1 of this Act shall expire as follows:

20           (1) one member on June 30, 2021;

21           (2) one member on June 30, 2022;

22           (3) one member on June 30, 2023; and

23           (4) two members on June 30, 2024.

24           SECTION 4. AND BE IT FURTHER ENACTED, That, as provided in this Act:

25           (a) It is the intent of the General Assembly that:

26           (1) the transfer of the Field Enforcement Division and the personnel of the  
27 Division to the Alcohol, and Tobacco,~~and Motor Fuel~~ Commission under this Act shall take  
28 effect not later than July 1, 2020;



1 (2) the transfer shall be conducted in a manner that will minimize the costs  
2 of the transfer and will result in a more cost-efficient operation for the regulation of  
3 alcoholic beverages, and tobacco, ~~and motor fuel~~ for the protection of the public health,  
4 safety, and welfare of the State.

5 (b) The Office of the Executive Director of the Alcohol, and Tobacco, ~~and Motor~~  
6 ~~Fuel~~ Commission is the successor of the Office of the Comptroller in matters concerning the  
7 regulation of alcohol, and tobacco, ~~and motor fuel~~.

8 (c) In every law, executive order, rule, regulation, policy, or document created by  
9 an official, an employee, or a unit of this State, the names and titles of those agencies and  
10 officials mean the names and titles of the successor agency or official.

11 SECTION 5. AND BE IT FURTHER ENACTED, That nothing in this Act affects the  
12 term of office of an appointed or elected member of any commission, office, department,  
13 agency, or other unit. An individual who is a member of a unit on the effective date of this  
14 Act shall remain for the balance of the term to which appointed or elected, unless the  
15 member sooner dies, resigns, or is removed under provisions of law.

16 SECTION 6. AND BE IT FURTHER ENACTED, That any transaction or  
17 employment status affected by or flowing from any change of nomenclature or any statute  
18 amended by this Act and validly entered into or existing before the effective date of this Act  
19 and every right, duty, or interest flowing from a statute amended by this Act remains valid  
20 after the effective date of this Act and may be terminated, completed, consummated, or  
21 enforced as required or allowed by any statute amended by this Act as though the  
22 amendment had not occurred. If a change in nomenclature involves a change in name or  
23 designation of any State unit, the successor unit shall be considered in all respects as  
24 having the powers and obligations granted the former unit.

25 SECTION 7. AND BE IT FURTHER ENACTED, That all persons who, as of June  
26 30, 2020, are employees in budgeted positions of the Office of the Comptroller and whose  
27 positions are transferred to the Office of the Executive Director of the Alcohol, and Tobacco,  
28 ~~and Motor Fuel~~ Commission as provided by this Act are hereby transferred to the Office of  
29 the Executive Director of the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission without  
30 any change or loss of ~~rights~~ pay, working conditions, benefits, rights, or status, and shall  
31 retain any merit system and retirement status they may have on the date of transfer.

32 SECTION 8. AND BE IT FURTHER ENACTED, That all findings and  
33 determinations, permits and licenses, applications for permits and licenses, rules and  
34 regulations, proposed rules and regulations, standards and guidelines, proposed standards  
35 and guidelines, orders and other directives, forms, plans, memberships, special funds,  
36 appropriations, grants, loans, applications and commitments for grants, loans, and tax  
37 credits, contracts, real and personal property, equipment, artifacts, collections,  
38 investigations, administrative and judicial proceedings, rights to sue and be sued, and all  
39 other duties and responsibilities associated with those functions transferred by this Act  
40 shall continue in effect under the Office of the Executive Director of the Alcohol, and

1 Tobacco, ~~and Motor Fuel~~ Commission until completed, withdrawn, canceled, modified, or  
 2 otherwise changed in accordance with law.

3 SECTION 9. AND BE IT FURTHER ENACTED, That:

4 (1) the continuity of every commission, office, department, agency, or other  
 5 unit is retained; and

6 (2) the personnel records, files, furniture, fixtures, and other properties  
 7 and all appropriations, credits, assets, liabilities, and obligations of each retained unit are  
 8 continued as the personnel, records, files, furniture, fixtures, properties, appropriations,  
 9 credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

10 SECTION 10. AND BE IT FURTHER ENACTED, That letterhead, business cards,  
 11 and other documents reflecting the renaming of the Office of the Comptroller to be the  
 12 Office of the Executive Director of the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission  
 13 may not be used until all letterhead, business cards, and other documents already in print  
 14 and reflecting the name of the Office before the effective date of this Act have been used.

15 SECTION 11. AND BE IT FURTHER ENACTED, That the publisher of the  
 16 Annotated Code of Maryland, in consultation with and subject to the approval of the  
 17 Department of Legislative Services, shall correct, with no further action required by the  
 18 General Assembly, cross-references and terminology rendered incorrect by this Act. The  
 19 publisher shall adequately describe any correction made in an editor's note following the  
 20 section affected.

21 SECTION 12. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 22 June 1, 2020.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.