



**2024 SESSION
POSITION PAPER**

BILL: SB 1056 – Cigarettes, Other Tobacco Products, and Electronic Smoking Devices – Revisions (Tobacco Retail Modernization Act of 2024)

COMMITTEE: Senate Finance Committee

POSITION: Letter of Support With Amendments

Bill ANALYSIS: SB 1056 would prohibit licensees that sell cigarettes, other tobacco products, or electronic smoking devices at retail from displaying those items for sale unless located behind a counter, require verification of a date of birth for certain individuals before sale, and make other changes to current law.

POSITION RATIONALE: The Maryland Association of County Health Officers (MACHO) supports SB 1056 with amendments. This bill recognizes the current challenges of enforcing existing tobacco/vaping regulations and the persistently high use of these products by teens. Public health officials agree with the value of more effective enforcement to reduce underage sales of vape and traditional tobacco products.

Historically, local health departments (LHDs) have been charged with inspections of tobacco and vape retailers to enforce laws prohibiting sales to underage customers. In the wake of the 2008-09 recession, the Maryland Department of Health (MDH) abruptly stopped grants to LHDs from the Cigarette Restitution Fund that paid for enforcement efforts. As a direct result, within one year, more than 20% of retailers were violating Maryland law by selling vape and tobacco products to underage purchasers. This high rate of underage sales continued over multiple years and triggered a federal regulation that threatened \$40 million in substance abuse grants to Maryland. It was only this threat to losing tens of millions of dollars that prompted the restoration of state funding to LHDs for compliance checks.

The proposed increase in tobacco and vape retail licenses under SB 1056 is intended to improve the effectiveness of compliance checks and drive down underage use of nicotine products. Maryland’s health officers favor amending SB 1056 to assure the revenue goes to the agencies responsible for enforcement, namely LHDs. We have seen first-hand the consequences of leaving funding to the discretion of a state agency, namely a complete disruption of enforcement resources with a resulting spike in underage vape and tobacco sales and violations of federal requirements. Dependable funding for local programs will increase capacity in larger jurisdictions and allow creative regional enforcement partnerships in more rural areas. Rural partnerships can produce dedicated staffing to not only meet, but to exceed the requirements in SB 1056. Dedicated staffing can also work with local school systems to take a more holistic approach to education and enforcement.

To better fund the staffing needs required for additional inspections, MACHO recommends:

Deletion of the text on Page 4, Lines 5-7 and replacing it with the following:

(ii) \$275 TO THE MARYLAND DEPARTMENT OF HEALTH. \$35 OF WHICH WILL BE RETAINED BY THE DEPARTMENT TO FULFILL THEIR OBLIGATIONS UNDER THIS STATUTE. THE REMAINING \$240 SHALL BE DISTRIBUTED TO JURISDICTIONS PROPORTIONAL TO THE NUMBER OF TOBACCO AND ELECTRONIC SMOKING DEVICE RETAIL LICENSEES IN EACH JURISDICTION AS FOLLOWS:

1. IN MONTGOMERY COUNTY, THE COUNTY WILL RECEIVE FUNDS TO BE USED TO ENFORCE EXISTING LAWS BANNING THE SALE OR DISTRIBUTION OF TOBACCO PRODUCTS OR ELECTRONIC SMOKING DEVICES TO INDIVIDUALS UNDER THE AGE OF 21

2. IN ALL OTHER JURISDICTIONS, LOCAL HEALTH DEPARTMENTS WILL RECEIVE FUNDS TO BE USED TO ENFORCE EXISTING LAWS BANNING THE SALE OR DISTRIBUTION OF TOBACCO PRODUCTS OR ELECTRONIC SMOKING DEVICES TO INDIVIDUALS UNDER THE AGE OF 21

The portion of the license fee retained by MDH is based on their own estimate of the annual costs of non-enforcement elements of SB 1056. The proposed allocation removes the fiscal impact both on MDH and on LHDs. It shields local programs from the inevitable general economic declines and will allow for meaningful improvements in enforcement and more expansive approaches to reducing vaping and traditional tobacco use among teens.

For these reasons, the Maryland Association of County Health Officers submits this letter of support with amendments for SB 1056. For more information or for a Health Officer representative for future subcommittee discussions, please contact Ruth Maiorana, MACHO Executive Director at rmaiora1@jhu.edu or 410-937-1433. *This communication reflects the position of MACHO.*