
By: Delegates Hurson, Grosfeld, and Shriver
Introduced and read first time: January 31, 1996
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Smokeless Tobacco - License - Sale or Distribution**

3 FOR the purpose of requiring a certain license for certain persons to sell or distribute
4 smokeless tobacco; excluding fees collected under this Act from certain additional
5 fees; providing for the application of this Act on the sale of leaf tobacco under
6 certain circumstances; prohibiting the sale or distribution of smokeless tobacco
7 under certain circumstances; establishing a certain license; establishing the terms
8 and requirements for licensees; authorizing the Comptroller to adopt certain
9 regulations; authorizing the Comptroller to deny, suspend, or revoke a certain
10 license; requiring notice and hearing for certain actions taken by the Comptroller
11 concerning an applicant or licensee; establishing a certain penalty; defining certain
12 terms; and generally relating to licenses to sell or distribute smokeless tobacco.

13 BY repealing and reenacting, with amendments,
14 Article - Business Regulation
15 Section 16-204(h)
16 Annotated Code of Maryland
17 (1992 Volume and 1995 Supplement)

18 BY adding to
19 Article - Business Regulation
20 Section 16-501 through 16-508, inclusive, to be under the new subtitle "Subtitle 5.
21 License to Sell or Distribute Smokeless Tobacco"
22 Annotated Code of Maryland
23 (1992 Volume and 1995 Supplement)

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

26 **Article - Business Regulation**

27 16-204.

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

2

1 (i) an applicant for the initial issuance of a license issued by the
2 Comptroller under this title shall pay to the Comptroller a nonrefundable application fee
3 of \$200; and

4 (ii) an applicant for renewal of a license issued by the Comptroller
5 under this title shall pay to the Comptroller a renewal fee of \$30.

6 (2) The application and renewal fees required under this subsection do not
7 apply to:

8 (I) a license that is issued by the clerk[or to];

9 (II) a storage warehouse license application; OR

10 (III) A LICENSE TO SELL OR DISTRIBUTE SMOKELESS TOBACCO
11 ISSUED UNDER SUBTITLE 5 OF THIS TITLE.

12 SUBTITLE 5. LICENSE TO SELL OR DISTRIBUTE SMOKELESS TOBACCO.

13 16-501.

14 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (B) "LICENSE" MEANS A LICENSE ISSUED BY THE COMPTROLLER UNDER THIS
17 SUBTITLE TO SELL OR DISTRIBUTE SMOKELESS TOBACCO.

18 (C) (1) "SMOKELESS TOBACCO" MEANS TOBACCO THAT IS USED ORALLY
19 AND IS IN A FORM THAT IS GENERALLY NOT USED FOR SMOKING.

20 (2) "SMOKELESS TOBACCO" INCLUDES CHEWING TOBACCO, SNUFF, OR
21 ANY OTHER CHOPPED, CRUSHED, OR PULVERIZED TOBACCO PRODUCT USED
22 ORALLY.

23 (3) "SMOKELESS TOBACCO" DOES NOT INCLUDE CIGARETTES OR
24 CIGARS.

25 16-502.

26 THIS SUBTITLE MAY NOT BE CONSTRUED TO RESTRICT OR LIMIT THE SALE OF
27 LEAF TOBACCO AS PROVIDED UNDER TITLE 7 OF THE AGRICULTURE ARTICLE AS OF
28 JANUARY 1, 1996.

29 16-503.

30 UNLESS A PERSON POSSESSES A CURRENT VALID LICENSE ISSUED UNDER THIS
31 SUBTITLE, THE PERSON MAY NOT SELL OR DISTRIBUTE SMOKELESS TOBACCO.

32 16-504.

33 AN APPLICANT FOR A LICENSE SHALL:

34 (1) SUBMIT AN APPLICATION TO THE COMPTROLLER; AND

35 (2) PAY TO THE COMPTROLLER A FEE OF \$2,500.

3

1 16-505.

2 (A) THE COMPTROLLER SHALL ISSUE A LICENSE TO EACH APPLICANT THAT
3 MEETS THE REQUIREMENTS OF THIS SUBTITLE.

4 (B) A LICENSE EXPIRES 1 YEAR FOLLOWING THE DATE OF ISSUANCE.

5 (C) A PERSON THAT IS ISSUED A LICENSE UNDER THIS SUBTITLE SHALL
6 DISPLAY THE LICENSE IN A CONSPICUOUS PLACE WHERE SMOKELESS TOBACCO IS
7 SOLD OR DISTRIBUTED.

8 16-506.

9 (A) THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY OUT THE
10 PROVISIONS OF THIS SUBTITLE.

11 (B) SUBJECT TO § 16-507 OF THIS SUBTITLE, THE COMPTROLLER MAY DENY A
12 LICENSE TO AN APPLICANT, REPRIMAND A LICENSEE, OR SUSPEND OR REVOKE A
13 LICENSE IF THE APPLICANT OR LICENSEE:

14 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
15 OBTAIN A LICENSE FOR THE APPLICANT, LICENSEE, OR OTHER PERSON;

16 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE; OR

17 (3) FAILS TO COMPLY WITH THIS SUBTITLE OR REGULATIONS ADOPTED
18 UNDER THIS SUBTITLE.

19 16-507.

20 (A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE
21 GOVERNMENT ARTICLE, BEFORE THE COMPTROLLER TAKES ANY FINAL ACTION
22 AGAINST A PERSON UNDER § 16-506 OF THIS SUBTITLE, THE COMPTROLLER SHALL
23 GIVE THE PERSON AN OPPORTUNITY FOR A HEARING BEFORE THE COMPTROLLER.

24 (B) THE COMPTROLLER SHALL GIVE NOTICE AND HOLD THE HEARING IN
25 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

26 (C) THE COMPTROLLER MAY ADMINISTER OATHS IN A PROCEEDING UNDER
27 THIS SECTION.

28 (D) THE PERSON SUBJECT TO THE ACTION MAY BE REPRESENTED AT THE
29 HEARING BY COUNSEL.

30 (E) AFTER DUE NOTICE, IF THE PERSON SUBJECT TO THE ACTION FAILS TO
31 APPEAR AT THE HEARING, THE COMPTROLLER MAY HEAR AND DETERMINE THE
32 MATTER.

33 16-508.

34 A PERSON THAT VIOLATES THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND
35 ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT
36 NOT EXCEEDING 1 YEAR OR BOTH.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1996.