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**By: Chairman, Ways and Means Committee (Departmental - Comptroller)**

Introduced and read first time: January 31, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages and Cigarettes - Seizures**

3 FOR the purpose of repealing the requirement for a formal hearing under certain  
4 conditions with regard to the seizure of cigarettes and conveyances used for their  
5 transportation; requiring that the Comptroller or the Comptroller's designee take  
6 certain actions including holding an informal hearing concerning seized alcohol,  
7 cigarettes, and conveyances; authorizing the return of certain property under a  
8 certain condition; providing for notice of final determination; authorizing the  
9 Comptroller to sell contraband cigarettes to certain entities in a certain manner;  
10 and generally relating to hearings on alcohol and cigarette seizures.

11 BY repealing

12 Article - Tax - General  
13 Section 13-839  
14 Annotated Code of Maryland  
15 (1988 Volume and 1995 Supplement)

16 BY adding to

17 Article - Tax - General  
18 Section 13-839  
19 Annotated Code of Maryland  
20 (1988 Volume and 1995 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article - Tax - General  
23 Section 13-841(b)(1)  
24 Annotated Code of Maryland  
25 (1988 Volume and 1995 Supplement)

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

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1 **Article - Tax - General**

2 [13-839.

3 (a) If a person files a claim for return of seized alcoholic beverages, cigarettes, or  
4 conveyances used for their transportation under § 13-837 of this subtitle, the Comptroller  
5 shall:

6 (1) promptly act on the request;

7 (2) direct the return of the property if the Comptroller has satisfactory  
8 proof that the person was not willfully evading any provision of Title 5 or Title 12 of this  
9 article at the time of seizure; and

10 (3) promptly notify the person of the action taken on the request.

11 (b) A person may request a formal hearing before the Comptroller within 30 days  
12 after the date on which the Comptroller mails a notice of the Comptroller's action relative  
13 to a request for return of property seized for a violation of the tobacco tax laws.

14 (c) The Comptroller shall hold a formal hearing after giving reasonable notice to  
15 the person.

16 (d) After the formal hearing, the Comptroller shall:

17 (1) grant or deny the application for return of seized alcoholic beverages,  
18 cigarettes, or conveyances used for their transportation; and

19 (2) mail the person a notice of the final determination.]

20 13-839.

21 (A) IF A PERSON FILES A CLAIM FOR RETURN OF SEIZED ALCOHOLIC  
22 BEVERAGES, CIGARETTES, OR A CONVEYANCE USED FOR THEIR TRANSPORTATION  
23 UNDER § 13-837 OF THIS SUBTITLE, THE COMPTROLLER OR THE COMPTROLLER'S  
24 DESIGNEE SHALL:

25 (1) PROMPTLY ACT ON THE REQUEST AND HOLD AN INFORMAL  
26 HEARING;

27 (2) DIRECT THE RETURN OF ALCOHOLIC BEVERAGES OR CIGARETTES  
28 UNLESS THE COMPTROLLER OR COMPTROLLER'S DESIGNEE HAS SATISFACTORY  
29 PROOF THAT THE PERSON WAS NOT IN COMPLIANCE WITH ANY PROVISIONS OF  
30 TITLE 5 OR TITLE 12 OF THIS ARTICLE AT THE TIME OF SEIZURE; AND

31 (3) DIRECT THE RETURN OF THE CONVEYANCE IF THE COMPTROLLER  
32 OR COMPTROLLER'S DESIGNEE HAS SATISFACTORY PROOF THAT THE OWNER OF  
33 THE CONVEYANCE WAS NOT WILLFULLY EVADING ANY PROVISIONS OF TITLE 5 OR  
34 TITLE 12 OF THIS ARTICLE AT THE TIME OF SEIZURE.

35 (B) THE COMPTROLLER OR COMPTROLLER'S DESIGNEE SHALL GRANT OR  
36 DENY THE APPLICATION FOR RETURN OF SEIZED ALCOHOLIC BEVERAGES,  
37 CIGARETTES, OR A CONVEYANCE IN ACCORDANCE WITH SUBSECTION (A) OF THIS  
38 SECTION BY MAILING THE PERSON A NOTICE OF FINAL DETERMINATION.

3

1 13-841.

2           (b) (1) The Comptroller shall sell contraband cigarettes seized under this title  
3 and forfeited to a State institution [or], a nonprofit charitable institution, A LICENSED  
4 CIGARETTE WHOLESALER, OR A LICENSED CIGARETTE MANUFACTURER [at the  
5 price and] in the manner the Comptroller determines.

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