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By: **Chairman, Environmental Matters Committee (Departmental -  
Agriculture)**

Introduced and read first time: February 10, 1999

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **State Tobacco Authority - Regulatory Powers**

3 FOR the purpose of requiring certain persons selling leaf tobacco to keep certain  
4 records; authorizing the inspection of certain records by the State Tobacco  
5 Authority; authorizing the Authority to order certain tobacco off-sale, to impose  
6 a civil penalty, and to seek injunctive relief against a certain person who violates  
7 the Authority's regulatory requirements; expanding the circumstances under  
8 which the Authority may revoke or suspend certain licenses; and generally  
9 relating to the regulatory powers of the State Tobacco Authority.

10 BY repealing and reenacting, with amendments,  
11 Article - Agriculture  
12 Section 7-209 and 7-403  
13 Annotated Code of Maryland  
14 (1985 Replacement Volume and 1998 Supplement)

15 BY adding to  
16 Article - Agriculture  
17 Section 7-210, 7-211, and 7-419  
18 Annotated Code of Maryland  
19 (1985 Replacement Volume and 1998 Supplement)

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

22 **Article - Agriculture**

23 7-209.

24 (a) Except as provided in subsection (c), a person may not engage in any of the  
25 following businesses without first obtaining an annual license upon payment of the  
26 prescribed fee:

1 Business	Name of License	Fee
2 (1) Commission selling 3 agency	Commission selling agency	\$525
4 (2) Transfer buyer	Transfer buyer's license	\$300
5 (3) Purchaser of leaf 6 tobacco from a commission 7 selling agency	Sales floor buyer's license	\$300
8 (4) Agent for sales floor 9 buyer's license	Sales floor buyer's agent's license	\$ 15
10 (5) Seller of leaf 11 tobacco on warehouse 12 floor of any warehouse	Sales floor seller's license	\$300

13 (b) Any person who weighs leaf tobacco for a commission selling agency first  
14 shall register with the Authority.

15 (c) (1) Purchases between a landlord and tenant are not subject to the  
16 requirement for a transfer buyer's license.

17 (2) A person who possesses a commission selling agency license is not  
18 required to obtain a sales floor buyer's license or a sales floor agent's license if he  
19 purchases leaf tobacco on a sales floor.

20 (3) A tobacco grower selling tobacco which he has grown, his agent, or a  
21 commission selling agency licensee operating a tobacco warehouse in the State is not  
22 required to obtain a sales floor seller's license.

23 (4) A sales floor buyer's licensee who sells on the sales floor no more than  
24 25 percent of the tobacco bought by him in the same warehouse is not required to  
25 obtain a sales floor seller's license.

26 (d) The Authority may decrease the fee set for commission selling agency  
27 licenses, transfer buyer's licenses, or sales floor buyer's licenses.

28 (e) The Authority may revoke or suspend any license issued under the  
29 provisions of this section, for any violation of a provision of this [subtitle] TITLE or of  
30 any rule or regulation issued under it. No revocation or suspension may be ordered  
31 until the Authority has given at least ten days' notice of the contemplated action to  
32 the licensee, nor without according to the licensee a full statement of the charges  
33 against him and a full opportunity to be heard in his own defense and to be  
34 represented by counsel. Any person aggrieved by any action of the Authority in  
35 revoking or suspending his license has a right of appeal to the circuit court of the  
36 county in which he resides or in which the violation occurred. The court may affirm,

1 modify or reverse the action of the Authority. The Authority may stay its action  
2 pending the determination of an appeal from its decision.

3 (f) After final disposition affirming any order of revocation, refusal, or  
4 suspension of any license, the Authority may refuse to issue a subsequent license to  
5 the licensee for the next selling season, or may revoke or suspend any license then  
6 held by the licensee.

7 7-210.

8 (A) IN LIEU OF OR IN ADDITION TO SUSPENSION OF A LICENSE ISSUED UNDER  
9 THIS TITLE, THE AUTHORITY MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.

10 (B) IN ADDITION TO REVOCATION OF A LICENSE ISSUED UNDER THIS TITLE,  
11 THE AUTHORITY MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.

12 (C) PENALTIES COLLECTED BY THE AUTHORITY UNDER THIS SECTION SHALL  
13 BE PAID INTO THE GENERAL FUND OF THE STATE.

14 (D) THE AUTHORITY SHALL ADOPT REGULATIONS TO CARRY OUT THE  
15 PROVISIONS OF THIS SECTION.

16 7-211.

17 (A) THE AUTHORITY MAY BRING AN ACTION FOR AN INJUNCTION AGAINST A  
18 PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE OR ANY REGULATION  
19 ADOPTED UNDER THIS TITLE.

20 (B) AN ACTION FOR AN INJUNCTION UNDER THIS SECTION IS IN ADDITION TO,  
21 AND NOT INSTEAD OF, DISCIPLINARY ACTION TAKEN UNDER § 7-209 OF THIS  
22 SUBTITLE OR THE IMPOSITION OF CIVIL PENALTIES UNDER § 7-419 OF THIS TITLE.

23 7-403.

24 (A) Any person engaged regularly in the business of selling leaf tobacco in any  
25 leaf tobacco market in the State for the account of another person or his own account,  
26 shall:

27 (1) Keep a correct account, in a form prescribed by the Authority, of the  
28 total pounds of leaf tobacco he sells daily;

29 (2) KEEP RECORDS AS REQUIRED BY THE AUTHORITY GIVING THE NAME  
30 AND ADDRESS OF THE GROWER OF ANY LEAF TOBACCO SOLD;

31 [(2)] (3) Report daily the number of pounds of Maryland-grown tobacco  
32 he sells and the number of pounds grown outside the State he sells, and deliver this  
33 report verified by oath to the Authority after each sales day during the auction  
34 season; and

35 [(3)] (4) Retain the records in good condition for three years following  
36 the end of the year in which they were prepared.

1 (B) THE AUTHORITY, AT ANY REASONABLE TIME, MAY INSPECT THE RECORDS  
2 REQUIRED BY THIS SECTION.

3 7-419.

4 (A) IF THE AUTHORITY FINDS THAT ANY LOT OF TOBACCO IS OFFERED OR  
5 EXPOSED FOR SALE AT AUCTION IN VIOLATION OF THIS SUBTITLE OR ANY RULE OR  
6 REGULATION ADOPTED UNDER THIS SUBTITLE, THE AUTHORITY MAY ORDER ANY  
7 LOT OF TOBACCO OFF-SALE AND MAY MARK OR TAG IT TO SHOW IT IS ILLEGAL.

8 (B) A PERSON MAY NOT SELL ANY LOT OF TOBACCO CONTRARY TO THE TERMS  
9 OF AN ORDER ISSUED UNDER THIS SECTION.

10 (C) THIS SECTION DOES NOT LIMIT THE RIGHT OF THE AUTHORITY TO  
11 PROCEED AS AUTHORIZED BY OTHER SECTIONS OF THIS TITLE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
13 effect October 1, 1999.