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

Introduced and read first time: February 10, 1999

Assigned to: Environmental Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 9, 1999

CHAPTER _____

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:

1 **Article - Agriculture**

2 7-209.

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

6 Business	Name of License	Fee
7 (1) Commission selling 8 agency	Commission selling agency	\$525
9 (2) Transfer buyer	Transfer buyer's license	\$300
10 (3) Purchaser of leaf 11 tobacco from a commission 12 selling agency	Sales floor buyer's license	\$300
13 (4) Agent for sales floor 14 buyer's license	Sales floor buyer's agent's license	\$ 15
15 (5) Seller of leaf 16 tobacco on warehouse 17 floor of any warehouse	Sales floor seller's license	\$300

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

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

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

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

28 (4) A sales floor buyer's licensee who sells on the sales floor no more than
 29 25 percent of the tobacco bought by him in the same warehouse is not required to
 30 obtain a sales floor seller's license.

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

33 (e) The Authority may revoke or suspend any license issued under the
 34 provisions of this section, for any violation of a provision of this [subtitle] TITLE or of
 35 any rule or regulation issued under it. No revocation or suspension may be ordered

1 until the Authority has given at least ten days' notice of the contemplated action to
2 the licensee, nor without according to the licensee a full statement of the charges
3 against him and a full opportunity to be heard in his own defense and to be
4 represented by counsel. Any person aggrieved by any action of the Authority in
5 revoking or suspending his license has a right of appeal to the circuit court of the
6 county in which he resides or in which the violation occurred. The court may affirm,
7 modify or reverse the action of the Authority. The Authority may stay its action
8 pending the determination of an appeal from its decision.

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

13 7-210.

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

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

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

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

22 7-211.

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

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

29 7-403.

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

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

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

1 [(2)] (3) Report daily the number of pounds of Maryland-grown tobacco
2 he sells and the number of pounds grown outside the State he sells, and deliver this
3 report verified by oath to the Authority after each sales day during the auction
4 season; and

5 [(3)] (4) Retain the records in good condition for three years following
6 the end of the year in which they were prepared.

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

9 7-419.

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

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

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

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