

HOUSE BILL 693

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C2

1999 Regular Session  
9r2031  
CF 9r2251

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By: **Delegates Mitchell, Pendergrass, Wood, Owings, K. Kelly, Hutchins,  
O'Donnell, and Fulton**

Introduced and read first time: February 11, 1999

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Comptroller - Cigarette Licensees - Credit Control**

3 FOR the purpose of requiring the State Comptroller to prescribe by regulation a  
4 method to ensure that licensed cigarette retailers pay licensed cigarette  
5 wholesalers and subwholesalers in full and in a timely manner for certain  
6 outstanding invoices; specifying the content of a certain regulation; providing for  
7 certain disciplinary action against licensed wholesalers and subwholesalers for  
8 a violation of this Act; providing for the effective date of this Act; and generally  
9 relating to the regulation of certain cigarette licensees.

10 BY adding to

11 Article - Business Regulation  
12 Section 16-222  
13 Annotated Code of Maryland  
14 (1998 Replacement Volume)

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

17 **Article - Business Regulation**

18 16-222.

19 (A) THE COMPTROLLER BY REGULATION SHALL PRESCRIBE A METHOD TO  
20 ENSURE THAT A LICENSED RETAILER PAYS A LICENSED WHOLESALER OR LICENSED  
21 SUBWHOLESALER IN FULL AND IN A TIMELY MANNER FOR OUTSTANDING INVOICES  
22 FOR CIGARETTES THE LICENSED WHOLESALER OR LICENSED SUBWHOLESALER  
23 SELLS TO THE LICENSED RETAILER.

24 (B) A REGULATION THAT THE COMPTROLLER ADOPTS UNDER SUBSECTION (A)  
25 OF THIS SECTION SHALL:

1           (1)       SPECIFY PURCHASE AND DUE DATE PERIODS, WITH A MAXIMUM  
2 PERIOD BETWEEN THE DATE OF PURCHASE AND THE DATE ON WHICH PAYMENT OF  
3 THE INVOICE IS DUE OF NOT MORE THAN 60 CALENDAR DAYS;

4           (2)       SPECIFY CREDIT LIST REQUIREMENTS FOR OVERDUE PAYMENTS  
5 AND CHECKS RETURNED FOR INSUFFICIENT FUNDS;

6           (3)       REQUIRE THAT A LICENSED WHOLESALER OR LICENSED  
7 SUBWHOLESALER, EITHER INDIVIDUALLY OR COLLECTIVELY, REPORT TO THE  
8 COMPTROLLER ANY INFORMATION THE COMPTROLLER DETERMINES IS NECESSARY  
9 FOR THE COMPTROLLER TO MAINTAIN AN ACCURATE DATABASE CONCERNING THE  
10 RETAIL ACCOUNTS OF LICENSED WHOLESALERS AND LICENSED SUBWHOLESALERS;  
11 AND

12          (4)       SPECIFY ANY OTHER REQUIREMENT THE COMPTROLLER CONSIDERS  
13 NECESSARY TO CARRY OUT SUBSECTION (A) OF THIS SECTION.

14       (C)       A LICENSED WHOLESALER OR LICENSED SUBWHOLESALER WHO  
15 VIOLATES THIS SECTION, OR ANY REGULATION ADOPTED BY THE COMPTROLLER  
16 UNDER THIS SECTION, IS SUBJECT TO DISCIPLINARY ACTION UNDER § 16-210 OF THIS  
17 SUBTITLE.

18       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 2000.