

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 667 (Delegate Mitchell. *et al.*)

Environmental Matters

Cigarettes - Regulation

This bill prohibits any person from shipping, importing, or selling into or within Maryland any brand of cigarettes unless that person is a license holder who: (1) is the owner of the brand of cigarettes or the agent in Maryland of the owner; or (2) is the United States importer or the agent in Maryland of the importer or United States importer of the brand.

In addition, any person who ships, imports, or sells cigarettes into or within Maryland: (1) must comply with any federal and State requirements concerning the placement of warning labels or other information on the containers or individual packages of cigarettes; and (2) must ensure that the containers or individual packages of cigarettes do not contain any information or markings that are false, misleading, or contrary to federal or Maryland trademark and tax laws.

Persons who violate this provision are guilty of a felony and, on conviction, subject to a fine not exceeding \$50 for each carton of cigarettes transported and/or imprisonment not exceeding two years. Violators are also subject to disciplinary action by the Comptroller which could include loss of license.

The bill is effective July 1, 1999.

Fiscal Summary

State Effect: Potential minimal. Enforcement can be handled with existing resources. The applicable criminal penalty provisions are not expected to significantly affect State finances or operations.

Local Effect: Potential minimal. The applicable criminal penalty provisions are not expected to significantly affect local finances or operations.

Small Business Effect: Potential minimal. To the extent that current licensees are small businesses and could lose their license as a result of violations, these changes could be meaningful. In addition, tobacco retailers and distributors that are considered small businesses could experience an increase in tobacco sales to the extent illegal sales are reduced. However, it is assumed the bill will have a minimal effect on the industry statewide.

Information Source(s): Comptroller of the Treasury (Alcohol and Tobacco Tax Unit)

Fiscal Note History:

First Reader - March 15, 1999

dmm/jr

Revised - House Third Reader - March 26, 1999

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