

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 6 (Senator Green. *et al.*)

Judicial Proceedings

Cigarette Sales in Packages of Less Than 20 Cigarettes

This bill prohibits a retailer or vending machine operator from purchasing from a tobacco product manufacturer or selling, reselling, distributing, dispensing, or giving away to any person a package of cigarettes that contains less than 20 cigarettes. The bill also prohibits a wholesaler from selling, reselling, distributing, dispensing, or giving away to any person a package of cigarettes that contains less than 20 cigarettes.

The Comptroller of the Treasury must enforce the prohibition and employ any inspectors and other personnel necessary for enforcement. If a violation of the bill's prohibitions is proven, the State Comptroller is required to suspend or revoke the cigarette license of the offender.

Fiscal Summary

State Effect: Enforcement could be handled with existing budgeted resources. Any decrease in tobacco tax or sales tax revenues beginning in FY 2002 is assumed to be negligible.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: There is no prohibition against the sale of cigarettes in packages of 20 or fewer, except as provided by the Master Settlement Agreement (MSA) as discussed below.

Background: The Master Settlement Agreement prohibits cigarette manufacturers participating in the MSA from manufacturing and selling cigarettes in packages of fewer than 20 in any of the states participating in the MSA prior to December 31, 2001. In addition, the MSA stipulates that participating cigarette manufacturers will not oppose legislation in any of the states that would prohibit the sale of cigarettes in packages of fewer than 20 after December 31, 2001.

State Fiscal Effect: Assuming that the sale of cigarette packs containing fewer than 20 cigarettes would have resumed after December 31, 2001, tobacco tax or sales tax revenues could decrease by a negligible amount beginning in fiscal 2002.

Additional Information

Prior Introductions: This bill was introduced in the 1999 session as SB 643. The bill received a favorable report from the Senate Judicial Proceedings Committee; however, it received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Comptroller of the Treasury (Alcohol and Tobacco Tax Unit), Department of Legislative Services

Fiscal Note History: First Reader - January 17, 2000
jir/jr Revised - Enrolled Bill - May 2, 2000

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