

BY: Environmental Matters Committee

AMENDMENTS TO HOUSE BILL NO. 287

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “to” insert “a certain fund; requiring the proceeds distributed to the fund to be used for certain purposes; repealing the authority of the Comptroller to sell contraband tobacco products to certain institutions; prohibiting the Comptroller from selling contraband tobacco products until after a certain period;”; and strike beginning with the second “certain” in line 5 down through “terms;” in line 19.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 22 on page 1 through line 11 on page 2, inclusive; and after line 16, insert:

“BY repealing and reenacting, with amendments,

Article - Tax - General

Section 13-841

Annotated Code of Maryland

(1997 Replacement Volume and 2000 Supplement)”.

AMENDMENT NO. 3

On pages 2 through 4, strike in their entirety the lines beginning with line 19 on page 2 through line 5 on page 4.

AMENDMENT NO. 4

On page 4, strike in their entirety lines 8 through 10, inclusive, and substitute:

“(A) THE COMPTROLLER SHALL DISTRIBUTE THE PROCEEDS FROM SALES OF CONTRABAND TOBACCO PRODUCTS AND CONVEYANCES UNDER § 13-841(B) OF THIS ARTICLE TO THE CIGARETTE RESTITUTION FUND ESTABLISHED UNDER § 7-317 OF

(Over)

THE STATE FINANCE AND PROCUREMENT ARTICLE.

(B) OF THE PROCEEDS DISTRIBUTED TO THE CIGARETTE RESTITUTION FUND UNDER SUBSECTION (A) OF THIS SECTION:";

in line 11, strike "TO" and substitute "SHALL BE USED FOR"; in line 12, strike "FUND" and substitute "PROGRAM"; in the same line, strike "§ 7-411.1 OF THE EDUCATION ARTICLE" and substitute "§ 13-1002 OF THE HEALTH - GENERAL ARTICLE"; in line 13, strike "TO" and substitute "SHALL BE USED FOR"; and in line 14, strike "FUND" and substitute "PROGRAM".

AMENDMENT NO. 5

On page 4, after line 15, insert:

"13-841.

(a) (1) Contraband alcoholic beverages that are seized under this title and forfeited may be disposed of or destroyed in the manner allowed under Article 2B, § 1-201(f)(5) and (6) and (g) of the Code.

(2) The Comptroller shall sell at public auction a conveyance that is seized under this title in connection with contraband alcoholic beverages and forfeited.

(b) (1) The Comptroller shall sell contraband tobacco products seized under this title and forfeited to [a State institution, a nonprofit charitable institution,] a licensed cigarette wholesaler[,] or a licensed cigarette manufacturer in the manner the Comptroller determines.

(2) The Comptroller shall sell at public auction a conveyance that is seized under this title in connection with contraband tobacco products and forfeited.

(3) THE COMPTROLLER MAY NOT SELL ANY CONTRABAND TOBACCO PRODUCT SEIZED UNDER THIS TITLE UNTIL ONE YEAR AFTER OBTAINING POSSESSION OF THE CONTRABAND TOBACCO PRODUCT.

(c) (1) If either the Comptroller or, on appeal, a court determines that seized conveyance or motor fuel is not subject to forfeiture:

(i) the Comptroller is not required to return the motor fuel seized to the owner or other interested person who filed the claim for return of the property, but may, at the

option of the Comptroller, pay to the person an amount equal to the value of the motor fuel as determined by the average wholesale value on the date of seizure for the Baltimore Terminal as reported by Platt's Oil-Gram on the date of seizure; and

(ii) the Comptroller shall return the conveyance to the registered owner and shall have no further liability to the registered owner.

(2) If a seized conveyance or motor fuel is forfeited, the Comptroller shall:

(i) 1. use the contraband motor fuel for any public purpose; or

2. sell the contraband motor fuel to any person; and

(ii) sell the seized conveyance to any person.

(d) In the manner required under Title 2 of this article for distributions of revenue, the Comptroller shall distribute the net proceeds from the sale of any conveyance or other property under this section after paying:

(1) the costs incurred in conjunction with the seizure and disposal of the property;

(2) the cost of the sale; and

(3) any bona fide lien against the conveyance.”.