
By: **Senators Ruben, Forehand, Currie, Frosh, Hoffman, Kelley, and Teitelbaum**

Introduced and read first time: January 24, 2001

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Cigarettes - Direct Sales and Shipping**

3 FOR the purpose of prohibiting a person engaged in the business of selling or
4 distributing cigarettes within or from another state from selling or shipping
5 cigarettes directly to a consumer or other unlicensed recipient or causing
6 cigarettes to be shipped directly to a consumer or other unlicensed recipient;
7 applying the prohibitions under this Act to cigarettes ordered or purchased
8 through a computer, telephonic, or other electronic network; and providing for
9 penalties under this Act.

10 BY adding to

11 Article - Business Regulation

12 Section 16-223

13 Annotated Code of Maryland

14 (1998 Replacement Volume and 2000 Supplement)

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 16-223.

19 (A) THIS SECTION APPLIES TO A PERSON WHO:

20 (1) IS ENGAGED IN THE BUSINESS OF SELLING OR DISTRIBUTING
21 CIGARETTES WITHIN OR FROM ANOTHER STATE; AND

22 (2) (I) IS LICENSED UNDER THIS SUBTITLE; OR

23 (II) IS NOT LICENSED UNDER THIS SUBTITLE.

24 (B) A PERSON COVERED UNDER THIS SECTION MAY NOT:

1 (1) SELL OR SHIP CIGARETTES DIRECTLY TO A CONSUMER OR OTHER
2 UNLICENSED RECIPIENT IN THE STATE, INCLUDING CIGARETTES ORDERED OR
3 PURCHASED THROUGH A COMPUTER, TELEPHONIC, OR OTHER ELECTRONIC
4 NETWORK; OR

5 (2) CAUSE CIGARETTES TO BE SHIPPED DIRECTLY TO A CONSUMER OR
6 OTHER UNLICENSED RECIPIENT IN THE STATE, INCLUDING CIGARETTES ORDERED
7 OR PURCHASED THROUGH A COMPUTER, TELEPHONIC, OR OTHER ELECTRONIC
8 NETWORK.

9 (C) (1) A LICENSEE WHO SELLS OR SHIPS CIGARETTES IN VIOLATION OF
10 THIS SECTION OR CAUSES CIGARETTES TO BE SHIPPED IN VIOLATION OF THIS
11 SECTION IS SUBJECT TO:

12 (I) DISCIPLINE BY THE COMPTROLLER UNDER § 16-210 OF THIS
13 SUBTITLE; AND

14 (II) THE PENALTY SPECIFIED UNDER § 13-1015 OF THE TAX -
15 GENERAL ARTICLE.

16 (2) A PERSON OTHER THAN A LICENSEE WHO SELLS OR SHIPS
17 CIGARETTES IN VIOLATION OF THIS SECTION OR CAUSES CIGARETTES TO BE
18 SHIPPED IN VIOLATION OF THIS SECTION IS SUBJECT TO THE PENALTY SPECIFIED
19 UNDER § 13-1015 OF THE TAX - GENERAL ARTICLE.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2001.