

SENATE BILL 102

Unofficial Copy
Q7

2002 Regular Session
2lr0039

(PRE-FILED)

By: **Chairman, Budget and Taxation Committee (Departmental -
Comptroller)**

Requested: October 19, 2001

Introduced and read first time: January 9, 2002

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: January 15, 2002

CHAPTER _____

1 AN ACT concerning

2 **Disposition of Contraband Motor Fuel - Pricing Service**

3 FOR the purpose of authorizing the Comptroller to use a nationally recognized oil
4 price reporting service to determine the value of motor fuel in certain cases
5 involving the forfeiture and disposition of seized motor fuel; repealing a
6 requirement that the Comptroller use a certain oil price reporting service; and
7 generally relating to the disposition of contraband motor fuel by the
8 Comptroller.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - General
11 Section 13-841
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2001 Supplement)

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

16 **Article - Tax - General**

17 13-841.

18 (a) (1) Contraband alcoholic beverages that are seized under this title and
19 forfeited may be disposed of or destroyed in the manner allowed under Article 2B, §
20 1-201(f)(5) and (6) and (g) of the Code.

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

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

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

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

12 (i) the Comptroller is not required to return the motor fuel seized
13 to the owner or other interested person who filed the claim for return of the property,
14 but may, at the option of the Comptroller, pay to the person an amount equal to the
15 value of the motor fuel as determined by the average wholesale value on the date of
16 seizure for the Baltimore Terminal as reported by [Platt's Oil-Gram] A NATIONALLY
17 RECOGNIZED OIL PRICE REPORTING SERVICE on the date of seizure; and

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

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

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

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

24 (ii) sell the seized conveyance to any person.

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

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

30 (2) the cost of the sale; and

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
33 effect October 1, 2002.

