

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 439 (Delegate Petzold, *et al.*)
Health and Government Operations

Tobacco Products - Restrictions on Display or Storage

This bill prohibits sellers or distributors of tobacco products for commercial purposes from displaying or storing tobacco products in any place that is accessible to a purchaser without intervention of the seller or an employee of the seller. The bill may not be construed to preempt the enactment or enforcement of local ordinances restricting the display or storage of a tobacco product.

Fiscal Summary

State Effect: The bill would not materially affect State operations or finances.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A person is prohibited from selling tobacco products through a vending machine unless the vending machine: (1) is located in an establishment that minors are prohibited by law from entering or an establishment that is a bona fide fraternal or veterans organization; or (2) can only be operated with a token card, or similar device that an individual can only obtain or purchase from the owner or an employee or agent of the owner.

Small Business Effect: According to the 1998 Survey of U.S. Business by the U.S. Census Bureau, over 92% of general merchandise stores, food and beverage stores, and

gas stations (places where individuals may purchase tobacco products), have fewer than 20 employees.

Tobacco manufacturers and wholesalers have in the past provided incentives and discounts to retailers based on the location and display of their products. Depending on the nature and size of any current incentive or discount for a small business, there could be a loss of revenue or net profit due to the increased costs to the business owner and/or reduced sales.

Additional Information

Prior Introductions: A similar bill was introduced as HB 132 in the 2002 session. It received an unfavorable report from the House Environmental Matters Committee. A similar bill was also introduced as HB 570 in the 2001 session. 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 Division), Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2003
mdf/jr

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