

HOUSE BILL 499

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SB 228/01 - FIN

2004 Regular Session
4r1526
CF 4r0249

By: **Delegate Frush**

Introduced and read first time: February 2, 2004

Assigned to: Economic Matters

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 in this State or
6 causing cigarettes to be shipped directly to a consumer or other unlicensed
7 recipient; applying the prohibitions under this Act to cigarettes ordered or
8 purchased through a computer, telephonic, or other electronic network; and
9 providing for 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 2003 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 IS ENGAGED IN THE BUSINESS
20 OF SELLING OR DISTRIBUTING CIGARETTES WITHIN OR FROM ANOTHER STATE.

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

22 (1) SELL OR SHIP CIGARETTES DIRECTLY TO A CONSUMER OR OTHER
23 UNLICENSED RECIPIENT IN THIS STATE, INCLUDING CIGARETTES ORDERED OR
24 PURCHASED THROUGH A COMPUTER, TELEPHONIC, OR OTHER ELECTRONIC
25 NETWORK; OR

26 (2) CAUSE CIGARETTES TO BE SHIPPED DIRECTLY TO A CONSUMER OR
27 OTHER UNLICENSED RECIPIENT IN THIS STATE, INCLUDING CIGARETTES ORDERED

1 OR PURCHASED THROUGH A COMPUTER, TELEPHONIC, OR OTHER ELECTRONIC
2 NETWORK.

3 (C) (1) A LICENSEE WHO SELLS OR SHIPS CIGARETTES IN VIOLATION OF
4 THIS SECTION OR CAUSES CIGARETTES TO BE SHIPPED IN VIOLATION OF THIS
5 SECTION IS SUBJECT TO:

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

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

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

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2004.