

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 1558  
Economic Matters

(Delegate Cardin, *et al.*)

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**Criminal Law - Flavored Cigars and Cigarettes - Prohibition on Sale**

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This bill prohibits the sale of flavored cigarettes and cigars and flavored components of cigarettes and cigars. This prohibition does not apply to tobacco, menthol, coffee, nut, or pepper flavoring. Any person who distributes or sells flavored cigarettes or cigars is guilty of a misdemeanor and subject to a fine of up to \$500.

The bill takes effect July 1, 2008.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues due to the bill's penalty provisions and potential minimal decrease in tobacco tax revenues. General fund expenditures would increase minimally in FY 2009 due to implementation costs at the Comptroller's Office.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** The bill would prohibit the sale or distribution of a cigarette, cigar, or cigarette or cigar component that contains a natural or artificial "constituent" that imparts a flavor to the tobacco or tobacco smoke of a cigarette or cigar. The bill would prohibit any ingredient or substance that imparts a distinguishable taste or aroma other than tobacco, menthol, coffee, nuts, or peppers. A constituent is defined as any ingredient,

substance, chemical, or compound other than tobacco, water, or reconstituted tobacco sheet that is added by the manufacturer to the tobacco, paper, or filter of a cigarette or cigar during the processing, manufacture, or packing of the cigarette or cigar and includes a smoke constituent.

The Comptroller may deny a cigarette business license to an applicant or reprimand, suspend, or revoke a license if the individual sells or distributes flavored cigarettes or cigars. Any cigarette or cigar for which the tobacco tax has been paid before July 1, 2008 may be sold without respect to the provisions of the bill.

**Current Law:** In general, a person may not act or offer to act as a cigarette manufacturer, retailer, storage warehouse, subwholesaler, vending machine operator, or wholesaler in the State unless the individual has an appropriate license. The Comptroller can deny a license to an applicant, reprimand a licensee, or suspend or revoke a license for:

- fraudulently or deceptively obtaining or attempting to obtain a license for another person;
- fraudulently or deceptively using a license;
- failing to comply with the Maryland Cigarette Sales Below Cost Act;
- violation of cigarette sales of less than 20 per package;
- illegally buying cigarettes for resale;
- conviction of a felony or misdemeanor that is a crime of moral turpitude directly related to the fitness or qualification of the licensee or applicant; or
- failing to pay a tax due.

**State Expenditures:** The Comptroller's Office reports that it would incur a one-time expenditure increase of \$16,000 in fiscal 2009 in order to notify tobacco product licensees of the prohibition on flavored cigarettes and cigars.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2008  
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