

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

Senate Bill 188

(Chair, Finance Committee) (By Request – Departmental –  
Comptroller)

Finance

Economic Matters

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**Comptroller - Cigarette Business Licenses - Grounds for Disciplinary Action**

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This departmental bill clarifies that licensed cigarette wholesalers must purchase cigarettes from a licensed cigarette manufacturer in order to be in compliance with specified provisions of law.

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**Fiscal Summary**

**State Effect:** None. The bill would not materially affect State operations or finances as the intent is to clarify current law.

**Local Effect:** None.

**Small Business Effect:** The Comptroller has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** Cigarette wholesalers are required to purchase cigarettes from cigarette manufacturers.

**Background:** The Comptroller of Maryland issues several types of cigarette licenses: manufacturers, wholesalers, subwholesalers, vendors, and storage warehouses. The clerks of the court issue cigarette retailer licenses. The license fee for a cigarette manufacturer is \$25. A cigarette retailer license is \$30. The license fee for a cigarette

storage warehouse is \$25. The additional renewal fee applicable to most types of licenses is \$30.

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.

It is the intent of the bill to clarify that purchases of cigarette manufacturers must be made from licensed cigarette manufacturers in order to be in compliance with provisions of law related to the regulation of the sales of cigarettes. There are 11 cigarette manufacturers licensed by the Comptroller.

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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 - January 28, 2008  
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