

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 886
Economic Matters

(Delegate Benson, *et al.*)

Cigarette Business Licenses - Sale of Single Cigarettes - Investigation and Penalties

This bill specifies that a person may not sell or distribute “single cigarettes” from a retail establishment or vending machine. Persons who sell or distribute single cigarettes at retail may be fined \$250 for a first offense and \$500 for subsequent offenses. Vending machine operators who allow the sale or distribution of cigarettes from their machines must be fined at least \$100 but not more than \$500 for each day that the machine offers single cigarettes for sale or distribution.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues due to the bill’s penalty provisions. Enforcement of the bill’s provisions can likely be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: Tobacco product wholesalers, retailers, or vending machine operators may not sell or distribute packages of cigarettes that contain fewer than 20 cigarettes. There is no penalty provision in statute regarding these sales. However, violations of these provisions may be grounds for the denial of a cigarette business license.

A person may not sell or dispense tobacco products through a vending machine unless the machine is located in an establishment (1) that is a *bona fide* fraternal or veterans organization; or (2) where minors are prohibited by law from entering. Sale of tobacco through vending machines is only allowed if the machine is operated with a token, card, or similar device that an individual obtains from the owner or the owner's employee.

The Field Enforcement Division (FED) of the Comptroller's Office enforces the sale of tobacco products in the State by manufacturers, wholesalers, and retailers. The Comptroller's Office advises that FED investigators impose sanctions under the bill that are prosecuted in District Court. FED has 9 inspectors and 16 agents who routinely inspect cigarette retailers; during fiscal 2009, the division conducted about 4,100 such inspections.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore, Charles, Frederick, Montgomery, and Somerset counties; Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - March 16, 2010
mam/ljm

Analysis by: Michael T. Vorgetts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510