

# HOUSE BILL 147

Q4, E2

3lr0877

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By: **Delegates McDermott, Norman, Ready, and Stocksdales**

Introduced and read first time: January 17, 2013

Assigned to: Ways and Means

Reassigned: Economic Matters, January 23, 2013

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2013

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Contraband Tobacco Products and Conveyances – Seizure and Disposition of**  
3 **~~Seized Contraband~~**

4 FOR the purpose of altering the manner in which seized contraband tobacco products  
5 or certain conveyances are processed following seizure; authorizing the  
6 Comptroller to ~~authorize a political subdivision to~~ destroy contraband tobacco  
7 products seized and forfeited under certain circumstances; requiring the  
8 Comptroller to remove certain seized contraband tobacco products on or before a  
9 certain date; and generally relating to the disposition of seized contraband  
10 tobacco products.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 13–836(b) and 13–841  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2012 Supplement)

16 BY adding to  
17 Article – Tax – General  
18 Section 13–836(d)  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2012 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Tax – General**

4 13–836.

5 (b) (1) A police officer who seizes a conveyance used to transport  
6 contraband alcoholic beverages promptly shall notify the Comptroller of the seizure.

7 (2) A police officer who seizes any contraband tobacco products or  
8 conveyance used to transport contraband tobacco products PROMPTLY shall [deliver  
9 the seized cigarettes or other tobacco products and conveyance to] NOTIFY the  
10 Comptroller OF THE SEIZURE.

11 (3) A police officer who seizes any contraband motor fuel shall:

12 (i) deliver the seized contraband motor fuel and conveyance to  
13 the Comptroller; or

14 (ii) if the seized conveyance is operated by a common carrier,  
15 regulated by either the Maryland Public Service Commission or the Interstate  
16 Commerce Commission, and transports motor fuel for another person, for a fee, direct  
17 the operator of the conveyance to take it to a location that the Comptroller designates.

18 **(D) FOR SEIZED CONTRABAND TOBACCO PRODUCTS OR A SEIZED**  
19 **CONVEYANCE USED TO TRANSPORT CONTRABAND TOBACCO PRODUCTS, THE**  
20 **COMPTROLLER SHALL:**

21 **(1) REMOVE THE CONTRABAND OR CONVEYANCE FROM THE**  
22 **POLITICAL SUBDIVISION EXERCISING JURISDICTION OVER THE CONTRABAND**  
23 **OR CONVEYANCE WITHIN 60 DAYS AFTER THE CONTRABAND OR CONVEYANCE IS**  
24 **NO LONGER NEEDED AS EVIDENCE; AND**

25 **(2) DISPOSE OF THE CONTRABAND OR CONVEYANCE IN THE**  
26 **MANNER AUTHORIZED UNDER § 13–841 OF THIS ARTICLE.**

27 13–841.

28 (a) (1) Contraband alcoholic beverages that are seized under this title and  
29 forfeited may be disposed of or destroyed in the manner allowed under Article 2B, §  
30 1–201(f)(5) and (6) and (g) of the Code.

31 (2) The Comptroller shall sell at public auction a conveyance that is  
32 seized under this title in connection with contraband alcoholic beverages and forfeited.

1 (b) (1) (I) [The] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
2 **THIS PARAGRAPH, THE** Comptroller shall sell contraband tobacco products seized  
3 under this title and forfeited to a State institution, a nonprofit charitable institution, a  
4 licensed cigarette wholesaler, or a licensed cigarette manufacturer in the manner the  
5 Comptroller determines.

6 (II) **THE COMPTROLLER MAY ~~AUTHORIZE A POLITICAL~~**  
7 **~~SUBDIVISION TO DESTROY CONTRABAND TOBACCO PRODUCTS SEIZED AND~~**  
8 **~~FORFEITED UNDER THIS TITLE WHEN THE POLITICAL SUBDIVISION EXERCISES~~**  
9 **~~JURISDICTION OVER THE FORFEITED CONTRABAND TOBACCO PRODUCTS~~ IF THE**  
10 **COMPTROLLER IS:**

11 **1. PROHIBITED FROM SELLING THE SEIZED AND**  
12 **FORFEITED TOBACCO PRODUCTS IN THE STATE; OR**

13 **2. UNABLE TO MAKE A PROFIT FROM SELLING THE**  
14 **SEIZED AND FORFEITED TOBACCO PRODUCTS.**

15 (2) [The] **EXCEPT WHEN ~~A POLITICAL SUBDIVISION~~ THE**  
16 **COMPTROLLER IS AUTHORIZED TO DESTROY SEIZED CONTRABAND TOBACCO**  
17 **PRODUCTS, THE** Comptroller shall sell at public auction a conveyance that is seized  
18 under this title in connection with contraband tobacco products and forfeited.

19 (c) (1) If either the Comptroller or, on appeal, a court determines that  
20 seized conveyance or motor fuel is not subject to forfeiture:

21 (i) the Comptroller is not required to return the motor fuel  
22 seized to the owner or other interested person who filed the claim for return of the  
23 property, but may, at the option of the Comptroller, pay to the person an amount equal  
24 to the value of the motor fuel as determined by the average wholesale value on the  
25 date of seizure for the Baltimore Terminal as reported by a nationally recognized oil  
26 price reporting service on the date of seizure; and

27 (ii) the Comptroller shall return the conveyance to the  
28 registered owner and shall have no further liability to the registered owner.

29 (2) If a seized conveyance or motor fuel is forfeited, the Comptroller  
30 shall:

31 (i) 1. use the contraband motor fuel for any public purpose;  
32 or

33 2. sell the contraband motor fuel to any person; and

34 (ii) sell the seized conveyance to any person.

1 (d) In the manner required under Title 2 of this article for distributions of  
2 revenue, the Comptroller shall distribute the net proceeds from the sale of any  
3 conveyance or other property under this section after paying:

4 (1) the costs incurred in conjunction with the seizure and disposal of  
5 the property;

6 (2) the cost of the sale; and

7 (3) any bona fide lien against the conveyance.

8 SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 1,  
9 2013, the Comptroller shall remove any seized contraband tobacco products that are  
10 no longer needed as evidence from the possession of a political subdivision exercising  
11 jurisdiction over the seized contraband tobacco products.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2013.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.