

HOUSE BILL 147

Q4, E2

3lr0877

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

Introduced and read first time: January 17, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Contraband Tobacco Products – Disposition of Seized Contraband**

3 FOR the purpose of authorizing the Comptroller to authorize a political subdivision to
4 destroy contraband tobacco products seized and forfeited under certain
5 circumstances; and generally relating to the disposition of seized contraband
6 tobacco products.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 13–841
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2012 Supplement)

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

14 **Article – Tax – General**

15 13–841.

16 (a) (1) Contraband alcoholic beverages that are seized under this title and
17 forfeited may be disposed of or destroyed in the manner allowed under Article 2B, §
18 1–201(f)(5) and (6) and (g) of the Code.

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

21 (b) (1) **(I)** [The] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
22 **THIS PARAGRAPH,** THE Comptroller shall sell contraband tobacco products seized
23 under this title and forfeited to a State institution, a nonprofit charitable institution, a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 licensed cigarette wholesaler, or a licensed cigarette manufacturer in the manner the
2 Comptroller determines.

3 **(II) THE COMPTROLLER MAY AUTHORIZE A POLITICAL**
4 **SUBDIVISION TO DESTROY CONTRABAND TOBACCO PRODUCTS SEIZED AND**
5 **FORFEITED UNDER THIS TITLE WHEN THE POLITICAL SUBDIVISION EXERCISES**
6 **JURISDICTION OVER THE FORFEITED CONTRABAND TOBACCO PRODUCTS.**

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

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

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

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

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

23 (i) 1. use the contraband motor fuel for any public purpose;

24 or

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

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

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

30 (1) the costs incurred in conjunction with the seizure and disposal of
31 the property;

32 (2) the cost of the sale; and

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2013.