

HOUSE BILL 1000

A1, C2

3lr0512

By: **Delegate Wilson**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcohol and Tobacco Commission – Updates**

3 FOR the purpose of requiring a person to hold a common carrier permit to ship premium
4 cigars or pipe tobacco in the State; requiring a remote tobacco seller shipping
5 premium cigars or pipe tobacco into the State to at least annually verify certain
6 license information as a condition of holding the common carrier permit; authorizing
7 the Executive Director of the Alcohol and Tobacco Commission to take certain action
8 regarding a certain license if the use of the licensed premises does not conform to
9 certain provisions of law relating to land use; authorizing the Executive Director to
10 conduct certain inspections and searches in a certain manner; including the Field
11 Enforcement Division of the Commission in the list of law enforcement agencies that
12 must receive a certain notification; authorizing the Executive Director to sell seized
13 contraband at auction and providing for the disposition of the proceeds of the
14 auctions; and generally relating to the Alcohol and Tobacco Commission.

15 BY repealing and reenacting, with amendments,

16 Article – Alcoholic Beverages

17 Section 2–151 and 2–152

18 Annotated Code of Maryland

19 (2016 Volume and 2022 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Business Regulation

22 Section 16–210(a), 16–308.3, 16.5–217.1, and 16.7–213.1

23 Annotated Code of Maryland

24 (2015 Replacement Volume and 2022 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article – Health – General

27 Section 18–213.2(a)(1) and (7) and (b) and 24–307(b)

28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2019 Replacement Volume and 2022 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article – Health – General
4 Section 18–213.2(a)(8) and 24–307(c) and (f)
5 Annotated Code of Maryland
6 (2019 Replacement Volume and 2022 Supplement)

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 2–303 and 13–841
10 Annotated Code of Maryland
11 (2022 Replacement Volume)

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

14 **Article – Alcoholic Beverages**

15 2–151.

16 (a) There is a common carrier permit.

17 (b) A holder of a common carrier permit may deliver wine, **PREMIUM CIGARS,**
18 **OR PIPE TOBACCO** from a location inside or outside the State to a consumer in the State
19 for the consumer’s personal use under this part.

20 (c) A person shall be issued a common carrier permit before the person may
21 engage in transporting wine from a direct wine shipper, **OR PREMIUM CIGARS OR PIPE**
22 **TOBACCO FROM A HOLDER OF A REMOTE TOBACCO SELLER LICENSE, ISSUED UNDER**
23 **§ 16.9–201 OF THE BUSINESS REGULATION ARTICLE**, to a consumer.

24 (d) The term of a common carrier permit is 1 year and begins on July 1.

25 (e) To complete delivery of a shipment, the common carrier shall require from a
26 consumer at the address listed on the shipping label:

27 (1) the signature of the consumer or another individual at the address who
28 is at least 21 years old; and

29 (2) government–issued photographic identification showing that the
30 signing individual is at least 21 years old.

31 (f) A common carrier shall refuse delivery when the intended receiving individual
32 appears to be under the age of 21 years or refuses to present valid identification.

1 (g) At the time of initial application for a common carrier permit and on request
2 of the [Comptroller] **EXECUTIVE DIRECTOR**, a common carrier shall submit to the
3 [Comptroller] **EXECUTIVE DIRECTOR** information concerning the training of its drivers
4 in verifying the age of recipients of direct wine shipments under this part.

5 (h) At least once each year, in a manner acceptable to the [Comptroller]
6 **EXECUTIVE DIRECTOR**, a holder of a common carrier permit shall verify, **AS**
7 **APPROPRIATE**, that:

8 (1) the shipper of wine into the State under this part holds a valid direct
9 wine shipper's permit; **OR**

10 (2) **THE REMOTE TOBACCO SELLER SHIPPING PREMIUM CIGARS OR**
11 **PIPE TOBACCO INTO THE STATE HOLDS A VALID REMOTE TOBACCO SELLER LICENSE**
12 **UNDER § 16.9-201 OF THE BUSINESS REGULATION ARTICLE.**

13 (i) A holder of a common carrier permit that delivers wine solely under this part
14 may not be required to obtain a transportation permit issued under § 2-118 or § 2-119 of
15 this subtitle in addition to the common carrier permit.

16 (j) The permit fee is \$100.

17 2-152.

18 (a) A common carrier shall report quarterly to the [Comptroller] **EXECUTIVE**
19 **DIRECTOR**:

20 (1) the date of each delivery of wine **OR PREMIUM CIGARS OR PIPE**
21 **TOBACCO** in the State; and

22 (2) the name and address of the direct wine shipper **OR HOLDER OF A**
23 **REMOTE TOBACCO SELLER LICENSE** and the receiving consumer of each delivery.

24 (b) A common carrier shall maintain for 3 years complete and accurate records of
25 all information needed to verify compliance with this part.

26 Article – Business Regulation

27 16-210.

28 (a) Subject to the hearing provisions of § 16-211 of this subtitle, the Executive
29 Director may deny a license to an applicant, reprimand a licensee, or suspend or revoke a
30 license if the applicant or licensee:

1 (1) fraudulently or deceptively obtains or attempts to obtain a license for
2 the applicant or licensee or for another person;

3 (2) fraudulently or deceptively uses a license;

4 (3) fails to comply with the Maryland Cigarette Sales Below Cost Act or
5 regulations adopted under that Act;

6 (4) fails to comply with the provisions of Title 11, Subtitle 5A of the
7 Commercial Law Article;

8 (5) buys cigarettes for resale:

9 (i) in violation of a license; or

10 (ii) from a person who is not a licensed cigarette manufacturer,
11 licensed subwholesaler, licensed vending machine operator, or licensed wholesaler;

12 (6) is convicted, under the laws of the United States or of any other state,
13 of:

14 (i) a felony; or

15 (ii) a misdemeanor that is a crime of moral turpitude and is directly
16 related to the fitness and qualification of the applicant or licensee; [or]

17 (7) has not paid a tax due before October 1 of the year after the tax became
18 due; **OR**

19 **(8) USES THE LICENSED PREMISES IN A MANNER THAT DOES NOT**
20 **CONFORM TO ALL ZONING LAWS, REGULATIONS, OR ORDINANCES ADOPTED IN**
21 **ACCORDANCE WITH THE LAND USE ARTICLE.**

22 16-308.3.

23 (a) The Maryland Department of Health **OR THE EXECUTIVE DIRECTOR** may
24 conduct **AN** unannounced [inspections] **INSPECTION OR SEARCH** of a licensed [retailer]
25 **RETAILER'S PREMISES, WITHOUT A WARRANT**, to ensure the licensee's compliance with
26 the provisions of this title and § 10-107 of the Criminal Law Article.

27 (b) The Maryland Department of Health **OR THE EXECUTIVE DIRECTOR** may
28 use an individual under the age of 21 years to assist in conducting an inspection under this
29 section.

30 16.5-217.1.

1 (a) The Maryland Department of Health **OR THE EXECUTIVE DIRECTOR** may
2 conduct **AN** unannounced [inspections] **INSPECTION OR SEARCH** of a licensed [retailer]
3 **RETAILER’S PREMISES, WITHOUT A WARRANT**, to ensure the licensee’s compliance with
4 the provisions of this title and § 10–107 of the Criminal Law Article.

5 (b) The Maryland Department of Health **OR THE EXECUTIVE DIRECTOR** may
6 use an individual under the age of 21 years to assist in conducting an inspection under this
7 section.

8 16.7–213.1.

9 (a) The Maryland Department of Health **OR THE EXECUTIVE DIRECTOR** may
10 conduct **AN** unannounced [inspections] **INSPECTION OR SEARCH** of A licensed [retailers]
11 **RETAILER’S PREMISES, WITHOUT A WARRANT**, to ensure the licensee’s compliance with
12 the provisions of this title and § 10–107 of the Criminal Law Article.

13 (b) The Maryland Department of Health **OR THE EXECUTIVE DIRECTOR** may
14 use an individual under the age of 21 years to assist in conducting an inspection under this
15 section.

16 Article – Health – General

17 18–213.2.

18 (a) (1) In this section the following words have the meanings indicated.

19 (7) “First responder” means a:

20 (i) Firefighter;

21 (ii) Emergency medical technician;

22 (iii) Rescue squad member;

23 (iv) Law enforcement officer;

24 (v) Correctional officer; or

25 (vi) Sworn member of the State Fire Marshal’s office.

26 (8) “Law enforcement officer” means any individual who, in an official
27 capacity, is authorized by law to make arrests and who is a member of one of the following
28 law enforcement agencies:

29 (i) The Department of State Police;

- 1 (ii) The Baltimore City Police Department;
- 2 (iii) The police department, bureau, or force of any county;
- 3 (iv) The police department, bureau, or force of any incorporated city
4 or town;
- 5 (v) The office of the sheriff of any county;
- 6 (vi) The police department, bureau, or force of any bicounty agency
7 or constituent institution of the University System of Maryland, Morgan State University,
8 St. Mary's College, or of any institution under the jurisdiction of the Maryland Higher
9 Education Commission;
- 10 (vii) The Maryland Aviation Administration police force of the
11 Department of Transportation, the Maryland Transit Administration police force of the
12 Department of Transportation, the Maryland Transportation Authority police force, and
13 the Maryland Port Administration police force of the Department of Transportation;
- 14 (viii) The law enforcement officers of the Department of Natural
15 Resources;
- 16 (ix) The Field Enforcement Bureau of the Comptroller's Office;
- 17 (x) **THE FIELD ENFORCEMENT DIVISION OF THE ALCOHOL
18 AND TOBACCO COMMISSION;**
- 19 **(XI)** The Intelligence and Investigative Division of the Department of
20 Public Safety and Correctional Services; or
- 21 **[(xi)] (XII)** The Maryland Capitol Police of the Department of General
22 Services.

23 (b) If, while transporting a person to a medical care facility or while acting in the
24 performance of duty, a first responder comes into contact exposure while treating or
25 transporting a person who dies at the scene or while being transported and who is
26 subsequently determined, as a result of information obtained in conjunction with a
27 postmortem examination by the Chief Medical Examiner or a designee of the Chief Medical
28 Examiner to have had a contagious disease or virus at the time of death, the physician
29 performing the postmortem examination shall notify the first responder and the first
30 responder's employer or the employer's designee of the first responder's possible contact
31 exposure to the contagious disease or virus.

1 (b) A person who distributes tobacco products for commercial purposes, including
2 a person licensed under Title 16 of the Business Regulation Article, may not distribute to
3 an individual under the age of 21 years:

4 (1) A tobacco product;

5 (2) Tobacco paraphernalia; or

6 (3) A coupon redeemable for a tobacco product.

7 (c) (1) A person who violates subsection (b) of this section is subject to a civil
8 penalty not exceeding:

9 (i) \$300 for a first violation;

10 (ii) \$1,000 for a second violation occurring within 24 months after
11 the first violation; and

12 (iii) \$3,000 for each subsequent violation occurring within 24 months
13 after the preceding violation.

14 (2) The local health departments shall report violations of subsection (b) of
15 this section to the [Comptroller's Office] **EXECUTIVE DIRECTOR OF THE ALCOHOL AND**
16 **TOBACCO COMMISSION**.

17 (3) Issuance of a civil citation for a violation of this section precludes
18 prosecution under § 10–107 of the Criminal Law Article arising out of the same violation.

19 (4) If a violation is committed by a person acting on behalf of a retailer, the
20 civil penalty imposed under paragraph (1) of this subsection shall be paid by the retailer.

21 (f) (1) The Maryland Department of Health, in collaboration and consultation
22 with the [Office of the Comptroller] **EXECUTIVE DIRECTOR OF THE ALCOHOL AND**
23 **TOBACCO COMMISSION**, local health departments, and local law enforcement agencies,
24 shall develop ongoing strategies for enforcement of §§ 10–107 and 10–108 of the Criminal
25 Law Article.

26 (2) On or before October 1 each year, the Department shall report to the
27 General Assembly, in accordance with § 2–1257 of the State Government Article, on:

28 (i) The development of enforcement strategies required under
29 paragraph (1) of this subsection; and

30 (ii) Training and assistance to tobacco retailers to improve
31 compliance with § 10–107 of the Criminal Law Article.

1 2-303.

2 The Comptroller shall distribute the proceeds from sales of contraband alcoholic
3 beverages and conveyances under § 13-841(a) **OR (D)** of this article to the General Fund.

4 13-841.

5 (a) (1) Contraband alcoholic beverages that are seized under this title and
6 forfeited may be disposed of or destroyed in the manner allowed under §§ 6-105, 6-106,
7 and 6-328 of the Alcoholic Beverages Article.

8 (2) The Comptroller **OR THE EXECUTIVE DIRECTOR OF THE ALCOHOL**
9 **AND TOBACCO COMMISSION, AS APPROPRIATE**, shall sell at public auction a
10 conveyance that is seized under this title in connection with contraband alcoholic beverages
11 and forfeited.

12 (b) (1) The Comptroller **OR THE EXECUTIVE DIRECTOR OF THE ALCOHOL**
13 **AND TOBACCO COMMISSION, AS APPROPRIATE**, shall sell contraband tobacco products
14 seized under this title and forfeited to a State institution, a nonprofit charitable institution,
15 a licensed cigarette wholesaler, or a licensed cigarette manufacturer in the manner the
16 Comptroller **OR EXECUTIVE DIRECTOR** determines.

17 (2) The Comptroller **OR THE EXECUTIVE DIRECTOR OF THE ALCOHOL**
18 **AND TOBACCO COMMISSION, AS APPROPRIATE**, shall sell at public auction a
19 conveyance that is seized under this title in connection with contraband tobacco products
20 and forfeited.

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

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

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

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

32 (i) 1. use the contraband motor fuel for any public purpose; or
33 2. sell the contraband motor fuel to any person; and

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

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

5 [(1)] **(I)** the costs incurred in conjunction with the seizure and disposal of
6 the property;

7 [(2)] **(II)** the cost of the sale; and

8 [(3)] **(III)** any bona fide lien against the conveyance.

9 **(2) IF THE EXECUTIVE DIRECTOR OF THE ALCOHOL AND TOBACCO**
10 **COMMISSION SELLS AT PUBLIC AUCTION A CONVEYANCE OR OTHER PROPERTY**
11 **SEIZED UNDER THIS SECTION, THE EXECUTIVE DIRECTOR SHALL TRANSFER THE**
12 **NET PROCEEDS OF THE SALE TO THE COMPTROLLER FOR DISTRIBUTION UNDER**
13 **TITLE 2 OF THIS ARTICLE.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
15 1, 2023.