

SENATE BILL 541

C2

3lr2891
CF HB 777

By: **The President (By Request – Office of the Attorney General)**

Introduced and read first time: February 3, 2023

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2023

CHAPTER _____

1 AN ACT concerning

2 **Cigarettes – Wholesalers – Disclosure of Information**

3 FOR the purpose of requiring each licensed cigarette wholesaler to submit complete and
4 accurate information in the form and manner the Comptroller requires to facilitate
5 compliance with certain provisions of law relating to cigarettes; ~~authorizing the~~
6 ~~Attorney General to impose a certain civil penalty for a violation;~~ and generally
7 relating to licensed wholesalers and the Alcohol and Tobacco Commission.

8 BY repealing and reenacting, with amendments,
9 Article – Business Regulation
10 Section 16–506(a) and (b)(1) ~~and 16–507(a)~~
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2022 Supplement)

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

15 **Article – Business Regulation**

16 16–506.

17 (a) (1) Not later than 21 days after the end of each calendar quarter, and more
18 frequently if so directed by the Comptroller, each licensed wholesaler shall submit
19 **COMPLETE AND ACCURATE** information in the form and manner the Comptroller requires
20 to facilitate compliance with this [subtitle] **TITLE**, including a list by brand family of the

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 total number of cigarettes, or in the case of roll-your-own cigarettes, the equivalent stick
2 count for which the licensed wholesaler affixed stamps during the previous calendar
3 quarter or otherwise paid the tax due for the cigarettes.

4 (2) The licensed wholesaler shall maintain and make available to the
5 Comptroller for a period of 5 years all invoices and documentation of sales of all
6 nonparticipating manufacturer cigarettes and any other information relied on in reporting
7 to the Comptroller.

8 (b) (1) The Comptroller may disclose to the Attorney General and the
9 Executive Director any information received under this subtitle and requested by the
10 Attorney General or the Executive Director for purposes of determining compliance with
11 and enforcement of the provisions of this [subtitle] TITLE.

12 ~~16-507.~~

13 (a) (1) ~~In addition to or instead of any other civil or criminal remedy provided~~
14 ~~by law, on a determination that a licensed wholesaler has violated § 16-504(e) or §~~
15 ~~16-506(a) of this subtitle or any regulation adopted under this subtitle, the Executive~~
16 ~~Director may revoke or suspend the license of any licensed wholesaler in the manner~~
17 ~~provided under §§ 16-211 and 16-212 of this title.~~

18 (2) ~~Each stamp affixed and each offer to sell cigarettes in violation of §~~
19 ~~16-504(e) of this subtitle shall constitute a separate violation.~~

20 (3) ~~The Executive Director may also impose a civil penalty in an amount~~
21 ~~not to exceed the greater of 500% of the retail value of the cigarettes sold or \$5,000 on a~~
22 ~~determination of violation of § 16-504(e) of this subtitle or any regulations adopted under~~
23 ~~that section.~~

24 (4) (i) ~~IN ADDITION TO OR INSTEAD OF ANY OTHER CIVIL OR~~
25 ~~CRIMINAL REMEDY PROVIDED BY LAW, ON A DETERMINATION THAT A LICENSED~~
26 ~~WHOLESALER HAS VIOLATED § 16-506(A) OF THIS SUBTITLE THE ATTORNEY~~
27 ~~GENERAL, ON BEHALF OF THE COMPTROLLER OR THE EXECUTIVE DIRECTOR, MAY~~
28 ~~IMPOSE A CIVIL PENALTY NOT EXCEEDING \$1,000 FOR EACH VIOLATION.~~

29 (ii) ~~FOR PURPOSES OF THIS PARAGRAPH, EACH INCOMPLETE~~
30 ~~OR INACCURATE SUBMISSION IN VIOLATION OF § 16-506(A) OF THIS SUBTITLE~~
31 ~~SHALL CONSTITUTE A SEPARATE VIOLATION.~~

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2023.