



ATCC

Alcohol, Tobacco, and Cannabis Commission

Wes Moore
Governor

Aruna K. Miller
Lt. Governor

Jeffrey A. Kelly
Executive Director

February 8, 2024

BILL: HB454 – Disclosure of Tax Information – Tax Compliance Activity and Binding Data Use Agreements

COMMITTEE: Ways and Means

POSITION: Favorable, with Amendments

Hon. Vanessa E. Atterbeary, Chair and Member of the Ways and Means Committee:

I write on behalf of the Alcohol, Tobacco, and Cannabis Commission (ATCC) to request the Ways and Means Committee to issue **a favorable report, with amendments on HB454 – Disclosure of Tax Information – Tax Compliance Activity and Binding Data Use Agreements.**

HB454 seeks to do three things: (1) Adds “a person or governmental entity for the purpose of assisting the Office of the Comptroller (COM) in a tax compliance activity” to the list of persons or agencies to whom tax information may be disclosed; and (2) Requires that every agency on said list enter into a binding, written data use agreement (DUA), the terms of which shall be prescribed by the COM according to the COMs’ data security policies and consistent with State and Federal requirements; and (3) Limits disclosure of tax information by this “person or governmental entity,” subject to certain exceptions, for which a violation of would lead to a fine up to \$1,000 and 6 months imprisonment.

The ATCC appreciates and supports the COM’s mission to ensure the security of tax information, particularly when it is disclosed to parties that receive tax information. As such, we were happy to work with the COM to draft amendments to HB454, which specifically addresses the need to secure such tax information with existing and additional parties, which this bill seeks to authorize.

To that end, the ATCC suggests the following two amendments to HB454. The first is technical, which amends the title of the “Alcohol and Tobacco Commission” to the “Alcohol, Tobacco, and Cannabis Commission” to reflect the actual title of the agency pursuant to Chapter 254 and 255 of the Acts of 2023. The second amendment authorizes, but does not require, the Comptroller enter into binding DUAs with the current list of persons or agencies for whom tax information may be disclosed or newly contracted persons or governmental entities for the purpose of assisting the COM in a tax compliance activity.

Please see examples of the amendments below:

Amendment Number 1:

(10) The Alcohol [and Tobacco Commission] “, TOBACCO, AND CANNABIS COMMISSION;”

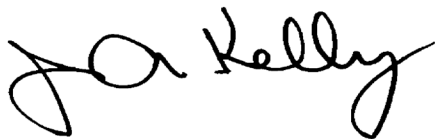
Amendment Number 2:

“(F) WHEN DISCLOSING CONFIDENTIAL TAX INFORMATION UNDER SUBSECTION (C) OF THIS SECTION, THE COMPTROLLER MAY, IN ITS SOLE DISCRETION, REQUIRE THE PARTY TO WHOM THE INFORMATION IS TO BE DISCLOSED TO ENTER INTO A BINDING, WRITTEN DATA USE AGREEMENT, THE TERMS OF WHICH SHALL BE PRESCRIBED ACCORDING TO THE COMPTROLLER’S DATA SECURITY POLICIES AND BE CONSISTENT WITH STATE AND FEDERAL REQUIREMENTS.”

With these friendly amendments added to the bill, the ATCC requests the Ways and Means Committee to issue a **favorable report, with amendments to HB454** – Disclosure of Tax Information – Tax Compliance Activity and Binding Data Use Agreements. Attached to this letter, please find a copy of the ATCC’s amendments.

I look forward to answering any questions or concerns that you have regarding HB454– Disclosure of Tax Information – Tax Compliance Activity and Binding Data Use Agreements.

Sincerely,

A handwritten signature in black ink that reads "JA Kelly". The signature is written in a cursive, flowing style.

Jeffrey A. Kelly
Executive Director