

# HOUSE BILL 1052

P1, A1, C2

9lr2754  
CF SB 703

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By: **Delegate Miller (By Request – Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health)**

Introduced and read first time: February 8, 2019

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2019

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

1 AN ACT concerning

2 **Alcohol, and Tobacco, and Motor Fuel Commission**

3 FOR the purpose of establishing the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission  
4 with certain powers and duties; transferring certain responsibilities of the  
5 Comptroller to the Executive Director of the Alcohol, and Tobacco, ~~and Motor Fuel~~  
6 Commission; providing that the members of the Commission are to be appointed by  
7 the Governor with the advice and consent of the Senate; providing for the  
8 qualifications, terms, reimbursement for expenses, and removal of the members;  
9 prohibiting a member from having certain interests or positions in the alcohol, or  
10 tobacco, ~~or motor fuel~~ industries or accepting certain contributions from the alcohol,  
11 or tobacco, ~~or motor fuel~~ industries with respect to the regulation of alcohol, or  
12 tobacco, ~~or motor fuel~~; requiring a member to file a certain financial disclosure  
13 statement; providing for a chair of the Commission; providing for the quorum,  
14 meetings, minutes, and staff of the Commission; requiring the Commission to  
15 perform certain functions, conduct certain studies, and develop best practices for  
16 certain activities; requiring the Governor to appoint an Executive Director of the  
17 Commission; providing for the qualifications and salary of the Executive Director;  
18 prohibiting the Executive Director and all employees in the Office of the Executive  
19 Director from accepting certain contributions from certain entities or individuals;  
20 requiring the Executive Director to adopt certain regulations; authorizing the  
21 Executive Director to adopt certain other regulations; authorizing the Executive  
22 Director to establish or prohibit certain discounts in the sale and distribution of wine  
23 and liquor; transferring the Field Enforcement Division from the Office of the  
24 Comptroller to the Office of the Executive Director; authorizing the Executive

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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 Director to delegate authority to conduct certain hearings; requiring the Executive  
 2 Director to include certain information in certain annual reports and to maintain  
 3 certain record keeping; authorizing the Executive Director to carry out certain  
 4 inspections, use certain equipment, and issue summonses for certain purposes;  
 5 requiring the Executive Director to enforce certain provisions of law; providing for  
 6 the regulatory and enforcement authority of the Executive Director over alcohol, and  
 7 tobacco and related products including electronic nicotine delivery systems, ~~and~~  
 8 ~~motor fuel~~ under various provisions of law; authorizing the Executive Director to  
 9 carry out certain investigations and request information and assistance from certain  
 10 other administrative units of government; authorizing the disclosure of tax  
 11 information to the Commission; requiring the Commission to conduct a certain  
 12 feasibility study for maintaining a certain statewide database; stating the intent of  
 13 the General Assembly concerning the date of transfer of the Field Enforcement  
 14 Division and its personnel to the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission;  
 15 specifying that the Office of the Executive Director is the successor of the Office of  
 16 the Comptroller in certain matters; providing that this Act does not affect the term  
 17 of office of an appointed or elected member of any commission, office, department,  
 18 agency, or other unit; providing for the continuity of certain transactions,  
 19 employment status, rights, duties, and interests; specifying that certain employees  
 20 in budgeted positions of the Office of the Comptroller whose positions are transferred  
 21 to the Office of the Executive Director are transferred without any change or loss of  
 22 rights or status; providing for the continuity of certain findings and determinations,  
 23 permits and licenses, standards and guidelines, orders and other directives, and  
 24 duties and responsibilities associated with those functions transferred by this Act;  
 25 providing for the continuity of certain units and their personnel records and other  
 26 properties; requiring that certain letterheads, business cards, and other documents  
 27 may not be used until other documents already in print have been used; requiring  
 28 the publisher of the Annotated Code of Maryland, in consultation with and subject  
 29 to the approval of the Department of Legislative Services, to correct any  
 30 cross-references or terminology rendered incorrect by this Act and to describe any  
 31 corrections made in an editor's note following the section affected; making  
 32 conforming and stylistic changes; defining certain terms; providing for a delayed  
 33 effective date; and generally relating to the Alcohol, and Tobacco, ~~and Motor Fuel~~  
 34 Commission.

35 BY repealing and reenacting, with amendments,

36 Article – Alcoholic Beverages

37 Section 1–101; and 1–301, 1–302, 1–302.1, and 1–303 through 1–310 to be under the  
 38 amended subtitle “Subtitle 3. Alcohol, and Tobacco, ~~and Motor Fuel~~  
 39 Commission”

40 Annotated Code of Maryland

41 (2016 Volume and 2018 Supplement)

42 BY adding to

43 Article – Alcoholic Beverages

44 Section 1–302 through 1–310

45 Annotated Code of Maryland

1 (2016 Volume and 2018 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article – Business Regulation

4 Section 16–101, 16–102, 16–201, 16–204, 16–205, 16–206(a)(4) and (f)(6) and (7),  
5 16–207(c)(3), 16–208 through 16–213, 16–216(a), 16–218(b) and (c), 16–219(b),  
6 16–220 through 16–222, 16–223(c), 16–302(b), 16–306, 16–307, 16–308.1(b),  
7 16–3B–01, 16.5–101, 16.5–102, 16.5–203, 16.5–204(a), 16.5–205(a)(5) and  
8 (d)(5), 16.5–207 through 16.5–211, 16.5–213, 16.5–214(b) and (c), 16.5–215(b),  
9 16.5–216(c), 16.5–217(c)(1), 16.7–101, 16.7–102(a), 16.7–202, 16.7–203,  
10 16.7–206 through 16.7–210, 16.7–212, and 16.7–213(c)

11 Annotated Code of Maryland

12 (2015 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – General

15 Section ~~9–301, 9–310(a), 9–318, 9–320 through 9–322, 9–326 through 9–333, and~~  
16 ~~9–335 through 9–337~~ 13–203(c)

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2018 Supplement)

19 Preamble

20 WHEREAS, Excessive alcohol consumption is the third leading cause of preventable  
21 death in the United States and is a risk factor leading to many health and societal problems;  
22 and

23 WHEREAS, Alcohol is the leading drug among youth in the State, with one in four  
24 Maryland high school students reporting drinking in the past month; and

25 WHEREAS, The Task Force to Study Alcohol Regulation, Enforcement, Safety, and  
26 Public Health in the State received input from numerous public health policy experts,  
27 elected officials, national, State, and local regulators, existing alcohol licensees, Maryland  
28 small businesses, and law enforcement personnel; and

29 WHEREAS, The number of licensed alcohol producers in Maryland has tripled over  
30 the past 10 years and significantly outpaced the number of regulatory personnel; and

31 WHEREAS, The Task Force examined regulatory models across the U.S. concerning  
32 the distribution and sale of alcohol to identify a model that would best balance commercial  
33 interests while ensuring the safety and welfare of all Maryland residents, and  
34 recommended a number of substantive changes be implemented to improve the distribution  
35 and sale of alcohol in the State; now, therefore,

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

**Article – Alcoholic Beverages**

1-101.

(a) In this article the following words have the meanings indicated.

(b) (1) “Alcoholic beverage” means a spirituous, vinous, malt, or fermented liquor, liquid, or compound that:

(i) contains at least one-half of 1% of alcohol by volume; and

(ii) is suitable for beverage purposes.

(2) “Alcoholic beverage” includes alcohol, brandy, whiskey, rum, gin, cordial, beer, and wine.

(3) “Alcoholic beverage” does not include a confectionery food product that contains up to 5% of alcohol by volume and is regulated by the Maryland Department of Health under § 21-209 of the Health – General Article.

(c) (1) “Beer” means a brewed alcoholic beverage.

(2) “Beer” includes:

(i) ale;

(ii) porter;

(iii) stout;

(iv) hard cider that:

1. is derived primarily from apples, apple concentrate and water, pears, or pear concentrate and water; and

2. contains no other fruit product but contains at least one-half of 1% and less than 8.5% of alcohol by volume; and

(v) an alcoholic beverage that contains:

1. 6% or less alcohol by volume, derived primarily from the fermentation of grain, with not more than 49% of the alcoholic beverage’s overall alcohol content by volume obtained from flavors and other added nonbeverage ingredients containing alcohol; or

2. more than 6% alcohol by volume, derived primarily from the fermentation of grain, with not more than 1.5% of the alcoholic beverage’s overall

1 alcohol content by volume obtained from flavors and other added nonbeverage ingredients  
2 containing alcohol.

3 (d) “Central Repository” means the Criminal Justice Information System Central  
4 Repository of the Department of Public Safety and Correctional Services.

5 (e) “Club” means an association or a corporation that is:

6 (1) organized and operated exclusively for educational, social, fraternal,  
7 patriotic, political, or athletic purposes; and

8 (2) nonprofit.

9 (F) **“COMMISSION” MEANS THE ALCOHOL, AND TOBACCO, ~~AND MOTOR~~**  
10 **~~FUEL~~ COMMISSION.**

11 [(f)] (G) (1) “Comptroller” means the Comptroller of the State.

12 (2) “Comptroller” includes a deputy, an inspector, a clerk, or any other  
13 individual authorized to act by the Comptroller.

14 [(g)] (H) “Consumer” means an individual at least 21 years old or a corporation  
15 not otherwise prohibited by this article or any other State law, that buys, possesses, keeps,  
16 or transports alcoholic beverages on which the taxes under Title 5 of the Tax – General  
17 Article have been paid, for the individual’s or corporation’s own use and not for sale.

18 [(h)] (I) “County” means a county of the State or Baltimore City.

19 (J) (1) **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF**  
20 **THE COMMISSION.**

21 (2) **“EXECUTIVE DIRECTOR” INCLUDES A DEPUTY, AN INSPECTOR, A**  
22 **CLERK, OR ANY OTHER INDIVIDUAL AUTHORIZED TO ACT BY THE EXECUTIVE**  
23 **DIRECTOR.**

24 [(i)] (K) (1) “Family beer” means homemade beer produced for home  
25 consumption and not for sale.

26 (2) “Family beer” includes beer produced at a family beer and wine facility  
27 that has been granted a permit under § 2–138 of this article.

28 [(j)] (L) (1) “Family wine” means homemade wine produced for home  
29 consumption and not for sale.

30 (2) “Family wine” includes wine produced at a family beer and wine facility  
31 that has been granted a permit under § 2–138 of this article.

1           **[(k)] (M)**   (1)   Subject to paragraph (2) of this subsection, “hotel” means an  
2 establishment that:

3                           (i)   accommodates the public;

4                           (ii)   is equipped with at least 10 bedrooms and a dining room with  
5 facilities for preparing and serving regular meals; and

6                           (iii)   has average daily receipts from the rental of rooms and sale of  
7 food that exceed the average daily receipts from the sale of alcoholic beverages.

8                   (2)   By regulation, a local licensing board may set a different standard as to  
9 what constitutes a hotel.

10           **[(l)] (N)**   “*Illicit alcoholic beverage*” means an alcoholic beverage that has been  
11 manufactured, bottled, or rectified:

12                           (1)   in the State at a location not licensed under this article; or

13                           (2)   outside the State at a location not licensed under the United States  
14 Internal Revenue Code or the laws of a foreign country.

15           **[(m)] (O)**   “*Jurisdiction*” means a county or the City of Annapolis.

16           **[(n)] (P)**   “*License*” means an alcoholic beverages license issued under this  
17 article.

18           **[(o)] (Q)**   (1)   “*License holder*” means the holder of a license issued or a permit  
19 granted under this article.

20                           (2)   “*License holder*” includes:

21                                   (i)   a county liquor control board and a county dispensary; and

22                                   (ii)   for the delivery and billing purposes of Title 2, Subtitle 3 and §§  
23 2–213 and 2–314 of this article, a corporation on behalf of which an individual has obtained  
24 a license.

25           **[(p)] (R)**   “*Liquor*” has the same meaning as “*distilled spirits*” under § 5–101(g) of  
26 the Tax – General Article.

27           **[(q)] (S)**   (1)   “*Local collecting agent*” means:

28                                   (i)   in the City of Annapolis, the city clerk;

1 (ii) in Allegany County, Baltimore County, Howard County, Prince  
2 George's County, or Wicomico County, the director of finance;

3 (iii) in Calvert County, Dorchester County, St. Mary's County, or  
4 Somerset County, the treasurer of the county; or

5 (iv) in each other county, the board of license commissioners unless  
6 another governmental unit is expressly authorized to collect fees under this article.

7 (2) "Local collecting agent" does not include a clerk of a circuit court.

8 **[(r)] (T)** "Local licensing board" means a board of license commissioners or other  
9 governmental unit of a jurisdiction that issues licenses.

10 **[(s)] (U)** "Manufacturer's license" means a license issued under Title 2, Subtitle  
11 2 of this article that is:

12 (1) a Class 1 distillery license;

13 (2) a Class 2 rectifying license;

14 (3) a Class 3 winery license;

15 (4) a Class 4 limited winery license;

16 (5) a Class 5 brewery license;

17 (6) a Class 6 pub-brewery license;

18 (7) a Class 7 micro-brewery license;

19 (8) a Class 8 farm brewery license; or

20 (9) a Class 9 limited distillery license.

21 **[(t)] (V)** "Off-sale" means the sale of alcoholic beverages that are to be consumed  
22 off the licensed premises.

23 **[(u)] (W)** "On-sale" means the sale of alcoholic beverages that are to be consumed  
24 on the licensed premises.

25 **[(v)] (X)** "Person" means:

26 (1) an individual;

1           (2)     an association, a partnership, a corporation, a trust, or any other entity,  
2 and the officers, directors, and other individuals in active control of the activities of the  
3 association, partnership, corporation, trust, or other entity; or

4           (3)     (i)     the State or a political subdivision of the State, or a unit or an  
5 instrumentality of the State or a political subdivision of the State; or

6                     (ii)    another state or a political subdivision of that state.

7           [(w)] (Y)    “Pomace brandy” means brandy that is distilled from the pulpy residue  
8 of wine pressing, including the skins, pips, and stalks of grapes.

9           [(x)] (Z)    (1)    Subject to paragraph (2) of this subsection, “restaurant” means  
10 an establishment that:

11                     (i)     accommodates the public;

12                     (ii)    is equipped with a dining room with facilities for preparing and  
13 serving regular meals; and

14                     (iii)   has average daily receipts from the sale of food that exceed the  
15 average daily receipts from the sale of alcoholic beverages.

16           (2)     By regulation, a local licensing board may set a different standard as to  
17 what constitutes a restaurant.

18           [(y)] (AA) (1)    “Retail dealer” means a person that sells an alcoholic beverage to  
19 any person other than a license holder.

20                     (2)     “Retail dealer” includes a county dispensary.

21           [(z)] (BB)   “7–day license” means a license that is in effect every day of the week.

22           [(aa)] (CC) “6–day license” means a license that is in effect Monday through  
23 Saturday.

24           [(bb)] (DD) (1)    Except as provided in paragraph (2) of this subsection, “state”  
25 means:

26                     (i)     a state, possession, territory, or commonwealth of the United  
27 States; or

28                     (ii)    the District of Columbia.

29           (2)     When capitalized, “State” means Maryland.



1           **(EE) “TOBACCO” INCLUDES CIGARETTES REGULATED UNDER TITLE 16 OF**  
2 **THE BUSINESS REGULATION ARTICLE AND OTHER TOBACCO AND RELATED**  
3 **PRODUCTS REGULATED UNDER TITLES 16.5 AND 16.7 OF THE BUSINESS**  
4 **REGULATION ARTICLE.**

5           **[(cc)] (FF)** (1)    “Wholesaler” means:

6                           (i)    a person that purchases or imports an alcoholic beverage for sale  
7 to wholesale dealers or retail dealers only; or

8                           (ii)   a limited winery that sells wine to retail dealers.

9           (2)    “Wholesaler” includes:

10                   (i)    a county liquor control board; and

11                   (ii)   a county wholesale dispensary.

12           **[(dd)] (GG)** “Wholesaler’s license” means a license issued under Title 2, Subtitle 3  
13 of this article that is:

14                   (1)    a Class 1 beer, wine, and liquor license;

15                   (2)    a Class 2 wine and liquor license;

16                   (3)    a Class 3 beer and wine license;

17                   (4)    a Class 4 beer license;

18                   (5)    a Class 5 wine license;

19                   (6)    a Class 6 limited wine license; or

20                   (7)    a Class 7 limited beer license.

21           **[(ee)] (HH)** (1)    “Wine” means a fermented beverage.

22                   (2)    “Wine” includes:

23                   (i)    light wine;

24                   (ii)   sparkling wine that is naturally or artificially carbonated; and

25                   (iii)  fortified wine to which alcohol, spirits, or other ingredients are  
26 added.

1 Subtitle 3. [Powers and Duties of Comptroller] ~~ALCOHOL, AND TOBACCO, AND MOTOR~~  
2 ~~FUEL~~ COMMISSION.

3 1-301.

4 In this subtitle, "Division director" means the director of the Field Enforcement  
5 Division of the Office of the [Comptroller] EXECUTIVE DIRECTOR.

6 1-302.

7 THERE IS AN ~~ALCOHOL, AND TOBACCO, AND MOTOR FUEL~~ COMMISSION.

8 1-303.

9 (A) (1) THE COMMISSION CONSISTS OF FIVE MEMBERS TO BE APPOINTED  
10 BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

11 (2) THE PRESIDING OFFICER OF EITHER HOUSE OF THE GENERAL  
12 ASSEMBLY MAY RECOMMEND TO THE GOVERNOR A LIST OF INDIVIDUALS FOR  
13 APPOINTMENT TO THE COMMISSION.

14 (3) OF THE COMMISSION MEMBERS:

15 (I) ONE SHALL BE ~~A REPRESENTATIVE OF THE~~  
16 KNOWLEDGEABLE AND EXPERIENCED IN PUBLIC HEALTH COMMUNITY MATTERS;

17 (II) ONE SHALL BE ~~A REPRESENTATIVE OF THE~~  
18 KNOWLEDGEABLE AND EXPERIENCED IN LAW ENFORCEMENT ~~COMMUNITY~~  
19 MATTERS;

20 (III) ONE SHALL BE ~~A REPRESENTATIVE OF~~ KNOWLEDGEABLE  
21 AND EXPERIENCED IN THE ALCOHOLIC BEVERAGES INDUSTRY; AND

22 (IV) TWO SHALL BE MEMBERS OF THE PUBLIC WHO ARE  
23 KNOWLEDGEABLE AND EXPERIENCED IN FISCAL MATTERS AND SHALL HAVE  
24 SUBSTANTIAL EXPERIENCE:

25 1. AS AN EXECUTIVE WITH FIDUCIARY  
26 RESPONSIBILITIES IN CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;

27 2. IN AN ACADEMIC FIELD RELATING TO FINANCE OR  
28 ECONOMICS; OR

29 3. AS AN ACCOUNTANT, AN ECONOMIST, OR A FINANCIAL  
30 ANALYST.

1           (4) IN ADDITION TO THE MEMBERS APPOINTED UNDER PARAGRAPH  
2 (3) OF THIS SUBSECTION, THE SECRETARY OF HEALTH AND THE SECRETARY OF  
3 STATE POLICE, OR THEIR DESIGNEES, MAY PARTICIPATE IN THE COMMISSION AS EX  
4 OFFICIO NONVOTING MEMBERS.

5           (B) AT THE TIME OF APPOINTMENT, EACH MEMBER OF THE COMMISSION  
6 SHALL BE:

7           (1) AT LEAST 25 YEARS OLD;

8           (2) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE FOR  
9 AT LEAST 5 YEARS;

10          (3) A QUALIFIED VOTER OF THE STATE; AND

11          (4) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR GRANTED  
12 PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES  
13 MORAL TURPITUDE.

14          (C) (1) THE TERM OF A MEMBER IS 5 YEARS.

15          (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE  
16 TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON JUNE 30, 2020.

17          (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL  
18 A SUCCESSOR IS APPOINTED AND QUALIFIES.

19          (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
20 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND  
21 QUALIFIES.

22          (5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO FULL TERMS.

23          (D) (1) SUBJECT TO THE HEARING REQUIREMENTS OF THIS SUBSECTION,  
24 THE GOVERNOR MAY REMOVE A MEMBER FOR CAUSE.

25          (2) BEFORE THE GOVERNOR REMOVES A MEMBER, THE GOVERNOR  
26 SHALL GIVE THE MEMBER NOTICE AND AN OPPORTUNITY FOR A PUBLIC HEARING.

27 1-304.

28          (A) A MEMBER OF THE COMMISSION MAY NOT:

1 (1) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST, OWNERSHIP,  
2 OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR OTHER SIMILAR  
3 FINANCIAL INTERESTS, IN THE ALCOHOL, TOBACCO, OR MOTOR FUEL INDUSTRIES;

4 (2) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A  
5 LICENSE OR PERMIT UNDER THIS ARTICLE, OR TITLE 16, TITLE 16.5, OR TITLE 16.7  
6 OF THE BUSINESS REGULATION ARTICLE, ~~OR TITLE 9, SUBTITLE 3, PART IV OF THE~~  
7 ~~TAX - GENERAL ARTICLE;~~

8 (3) BE AN ELECTED OFFICIAL OF STATE OR LOCAL GOVERNMENT;

9 (4) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS  
10 OR PROCEEDS OF ANY ACTIVITIES CONDUCTED IN THE ALCOHOL, OR TOBACCO, ~~OR~~  
11 ~~MOTOR FUEL INDUSTRIES;~~

12 (5) HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE  
13 MANUFACTURE OR SALE OF ANY DEVICE OR PRODUCT OR THE PROVISION OF ANY  
14 INDEPENDENT CONSULTING SERVICES IN CONNECTION WITH A HOLDER OF A  
15 LICENSE OR PERMIT ISSUED UNDER THIS ARTICLE, OR TITLE 16, TITLE 16.5, OR  
16 TITLE 16.7 OF THE BUSINESS REGULATION ARTICLE, ~~OR TITLE 9, SUBTITLE 3,~~  
17 ~~PART IV OF THE TAX - GENERAL ARTICLE;~~ OR

18 (6) ACCEPT A CONTRIBUTION OF MONEY OR PROPERTY WORTH AT  
19 LEAST \$100 FROM AN ENTITY OR INDIVIDUAL ASSOCIATED WITH THE ALCOHOL,  
20 TOBACCO, OR MOTOR FUEL INDUSTRIES WITH RESPECT TO THE REGULATION OF  
21 ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL.~~

22 (B) A MEMBER OF THE COMMISSION SHALL FILE A FINANCIAL DISCLOSURE  
23 STATEMENT WITH THE STATE ETHICS COMMISSION IN ACCORDANCE WITH TITLE 5,  
24 SUBTITLE 6 OF THE GENERAL PROVISIONS ARTICLE.

25 1-305.

26 FROM AMONG ITS MEMBERS, THE COMMISSION ANNUALLY SHALL ELECT A  
27 CHAIR.

28 1-306.

29 (A) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE  
30 COMMISSION IS A QUORUM.

31 (B) THE COMMISSION SHALL MEET MONTHLY AT THE TIMES AND PLACES  
32 THAT THE COMMISSION DETERMINES.

1           (C) (1) THE SECRETARY OF THE COMMISSION PROMPTLY SHALL SEND  
2 THE GOVERNOR A CERTIFIED COPY OF THE MINUTES OF EACH MEETING OF THE  
3 COMMISSION.

4           (2) THE MINUTES SHALL INCLUDE A COPY OF EACH REGULATION  
5 THAT IS ADOPTED.

6           (D) EACH MEMBER OF THE COMMISSION IS ENTITLED TO REIMBURSEMENT  
7 FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS  
8 PROVIDED IN THE BUDGET OF THE COMMISSION.

9           (E) (1) WITH THE ADVICE OF THE COMMISSION, THE EXECUTIVE  
10 DIRECTOR MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE BUDGET.

11           (2) THE STAFF OF THE COMMISSION IS IN THE STATE PERSONNEL  
12 MANAGEMENT SYSTEM.

13 1-307.

14           (A) THE COMMISSION HAS THE POWERS AND DUTIES SET FORTH IN THIS  
15 SECTION.

16           (B) THE COMMISSION SHALL:

17           (1) EDUCATE THE PUBLIC, BY RESOURCE SHARING AND SERVING AS  
18 AN INFORMATION CLEARINGHOUSE, ON SUCH TOPICS AS:

19                   (I) RECENT INCREASES IN ALCOHOL CONTENT FOR POPULAR  
20 BEER AND OTHER BEVERAGES;

21                   (II) THE PROPER LIMITS OF DRINKING FOR ADULTS;

22                   (III) THE ADVERSE CONSEQUENCES OF SURPASSING THOSE  
23 LIMITS; ~~AND~~

24                   (IV) PARENTAL OR ADULT RESPONSIBILITY FOR SERVING  
25 ALCOHOL TO UNDERAGE INDIVIDUALS; AND

26                   (V) COMPARABLE TOPICS RELATING TO SMOKING, VAPING,  
27 TOBACCO, OTHER TOBACCO PRODUCTS, AND ELECTRONIC NICOTINE DELIVERY  
28 SYSTEMS; AND

29           (2) SUBJECT TO FEDERAL APPROVAL, ENSURE THAT ALL ALCOHOLIC  
30 BEVERAGES SOLD IN THE STATE WITH AN ALCOHOL CONTENT EXCEEDING 4.5% BY

1 VOLUME BEAR A LARGE AND CONSPICUOUS LABEL STATING THE PERCENTAGE OF  
2 ALCOHOL CONTENT.

3 (c) (1) THE COMMISSION SHALL CONDUCT STUDIES OF:

4 (i) THE OPERATION AND ADMINISTRATION OF SIMILAR LAWS IN  
5 OTHER STATES OR COUNTRIES; AND

6 (ii) FEDERAL LAWS THAT MAY AFFECT THE OPERATION OF THE  
7 ALCOHOL, ~~OR TOBACCO, OR MOTOR FUEL~~ INDUSTRIES, THE LITERATURE ON THOSE  
8 INDUSTRIES, AND THE REACTION OF RESIDENTS OF THE STATE TO EXISTING AND  
9 POTENTIAL FEATURES OF THOSE INDUSTRIES.

10 (2) THE COMMISSION SHALL SUBMIT TO THE GOVERNOR AND, IN  
11 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL  
12 ASSEMBLY THE STUDIES REQUIRED UNDER THIS SUBSECTION.

13 1-308.

14 THE COMMISSION SHALL DEVELOP BEST PRACTICES FOR:

15 (1) THE DEDICATION OF A MINIMUM EFFECTIVE PORTION OF THE  
16 BUDGET OF A LOCAL LICENSING BOARD TO ADMINISTRATIVE ENFORCEMENT  
17 ACTIVITIES, SUCH AS INSPECTIONS, COMPLIANCE CHECKS, OVERSERVICE,  
18 OPERATIONS, AND TRADE PRACTICE VIOLATIONS;

19 (2) THE CARRYING OUT OF COMPLIANCE CHECKS FOR ALCOHOLIC  
20 BEVERAGES LICENSES, IN WHICH EACH LICENSE IS CHECKED AT LEAST ONCE A  
21 YEAR;

22 (3) THE DEVELOPMENT OF GUIDELINES FOR THE MINIMUM CAPACITY  
23 OF INSPECTIONS CARRIED OUT BY INSPECTORS OF LOCAL LICENSING BOARDS,  
24 BASED ON THE NUMBER AND TYPE OF LICENSED OUTLETS IN THE LICENSING  
25 JURISDICTION;

26 (4) ENSURING THAT ALCOHOLIC BEVERAGES INSPECTIONS BE BASED  
27 ON DATA SUCH AS THE VIOLATION HISTORY OF THE LICENSE HOLDER, AND CALLS  
28 FOR EMERGENCY ASSISTANCE, EMERGENCY MEDICAL SERVICE, OR  
29 NONEMERGENCY SERVICE, SO THAT RESOURCES ARE BEING ALLOCATED BASED ON  
30 WHERE THE GREATEST NEED IS;

31 (5) THE REPORTING OF AGGREGATE DATA BETWEEN LOCAL POLICE  
32 AND LOCAL LICENSING BOARDS;

1           **(6) THE DEVELOPMENT OF MANDATORY STATE-PROVIDED TRAINING**  
2 **FOR LIQUOR INSPECTORS;**

3           **(7) REPORTING BY THE STATE TO THE AFFECTED LOCAL LICENSING**  
4 **BOARD OF A STATE-ISSUED LICENSE OR PERMIT WITHIN 10 DAYS AFTER THE STATE**  
5 **RECEIVES AN APPLICATION;**

6           **(8) THE DEVELOPMENT OF A PUBLIC HEALTH IMPACT STATEMENT**  
7 **FOR ALL CHANGES TO THE STATE ALCOHOLIC BEVERAGES LAWS; AND**

8           **(9) ENSURING THAT:**

9                   **(I) ALL LICENSE HOLDERS, MANAGERS, AND SERVERS RECEIVE**  
10 **CERTIFICATION FROM AN APPROVED ALCOHOL AWARENESS PROGRAM; AND**

11                   **(II) AT LEAST ONE EMPLOYEE WHO IS CERTIFIED IN AN**  
12 **ALCOHOL AWARENESS PROGRAM BE ON THE LICENSED PREMISES AT ALL TIMES**  
13 **WHEN ALCOHOLIC BEVERAGES ARE SERVED.**

14 **1-309.**

15           **(A) WITH THE ADVICE AND CONSENT OF THE SENATE, THE GOVERNOR**  
16 **SHALL APPOINT AN EXECUTIVE DIRECTOR OF THE COMMISSION.**

17           **(B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE**  
18 **GOVERNOR.**

19           **(C) THE EXECUTIVE DIRECTOR SHALL:**

20                   **(1) HAVE THE TRAINING AND EXPERIENCE, INCLUDING KNOWLEDGE**  
21 **OF THE MARYLAND ALCOHOL REGULATORY SYSTEM, THAT IS NEEDED TO DIRECT**  
22 **THE WORK OF THE COMMISSION; AND**

23                   **(2) DEVOTE FULL TIME TO THE DUTIES OF OFFICE AND MAY NOT**  
24 **ENGAGE IN ANOTHER PROFESSION OR OCCUPATION.**

25           **(D) THE EXECUTIVE DIRECTOR IS ENTITLED TO THE SALARY PROVIDED IN**  
26 **THE STATE BUDGET.**

27 **1-310.**

28           **THE EXECUTIVE DIRECTOR AND ALL EMPLOYEES IN THE OFFICE OF THE**  
29 **EXECUTIVE DIRECTOR MAY NOT ACCEPT A CONTRIBUTION OF MONEY OR PROPERTY**  
30 **WORTH AT LEAST \$100 FROM AN ENTITY OR INDIVIDUAL ASSOCIATED WITH THE**

1 ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL~~ INDUSTRIES WITH RESPECT TO  
2 REGULATION OF ALCOHOL, OR TOBACCO, ~~OR MOTOR FUEL~~.

3 [1-302.] 1-311.

4 (a) The [Comptroller] EXECUTIVE DIRECTOR shall adopt regulations to  
5 discharge the duties under:

6 (1) this article; AND

7 (2) TITLES 16, 16.5, AND 16.7 OF THE BUSINESS REGULATION  
8 ARTICLE; ~~AND~~

9 ~~(3) TITLE 9, SUBTITLE 3 OF THE TAX - GENERAL ARTICLE.~~

10 (b) The [Comptroller] EXECUTIVE DIRECTOR may adopt regulations regarding:

11 (1) labeling and advertising similar to the regulations adopted by the  
12 Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the  
13 Treasury;

14 (2) nature, form, and capacity of containers;

15 (3) credit sales;

16 (4) records to be kept by license holders and others engaged in the business;

17 (5) the amount of deposit on returnable beer containers that  
18 manufacturers and wholesalers of beer charge and collect; and

19 (6) any other subject the [Comptroller] EXECUTIVE DIRECTOR considers  
20 necessary for the proper administration of the duties of the [Comptroller] EXECUTIVE  
21 DIRECTOR under this article, TITLE 16, TITLE 16.5, OR TITLE 16.7 OF THE BUSINESS  
22 REGULATION ARTICLE, OR THE PROVISIONS OF THE TAX - GENERAL ARTICLE  
23 RELATING TO THE ALCOHOLIC BEVERAGE TAX.

24 (c) (1) Any violation of a regulation adopted by the [Comptroller] EXECUTIVE  
25 DIRECTOR under this article, TITLE 16, TITLE 16.5, OR TITLE 16.7 OF THE BUSINESS  
26 REGULATION ARTICLE, or the provisions of the Tax - General Article relating to the  
27 alcoholic beverage tax is grounds to revoke or suspend a license.

28 (2) The violator is subject to the penalties provided under § 6-402(a) of this  
29 article.

30 [1-302.1.] 1-312.



1 By regulation, the [Comptroller] **EXECUTIVE DIRECTOR** may:

2 (1) establish or prohibit the maximum discounts that may be allowed by a  
3 manufacturer, wholesaler, or nonresident winery permit holder in the sale and distribution  
4 of wine and liquor; or

5 (2) prohibit the giving of discounts by a manufacturer, wholesaler, or  
6 nonresident winery permit holder in the sale and distribution of wine and liquor.

7 **[1-303.] 1-313.**

8 (a) There is a Field Enforcement Division in the Office of the [Comptroller]  
9 **EXECUTIVE DIRECTOR.**

10 (b) (1) The Field Enforcement Division may employ officers and employees as  
11 provided in the State budget.

12 (2) The officers and employees of the Field Enforcement Division:

13 (i) shall be sworn police officers;

14 (ii) shall have the powers, duties, and responsibilities of peace  
15 officers to enforce the provisions of this article relating to:

16 1. the unlawful importation of alcoholic beverages into the  
17 State;

18 2. the unlawful manufacture of alcoholic beverages in the  
19 State;

20 3. the transportation and distribution throughout the State  
21 of alcoholic beverages that are manufactured illegally and on which any alcoholic beverages  
22 taxes imposed by the State are due and unpaid; and

23 4. the manufacture, sale, barter, transportation,  
24 distribution, or other form of owning, handling, or dispersing alcoholic beverages by any  
25 person not licensed or authorized under this article or provisions of the Tax – General  
26 Article relating to alcoholic beverages; and

27 (iii) may make cooperative arrangements for and work and cooperate  
28 with local State's Attorneys, sheriffs, bailiffs, police, and other prosecuting and peace  
29 officers to enforce this article.

30 (c) The Field Enforcement Division:

1 (1) shall consult with and advise the local State's Attorneys and other law  
2 enforcement officials and police officers regarding enforcement problems in their respective  
3 jurisdictions; and

4 (2) may recommend changes to improve the administration of this article  
5 and provisions of the Tax – General Article relating to alcoholic beverages.

6 [1-304.] **1-314.**

7 The [Comptroller] **EXECUTIVE DIRECTOR** may delegate authority under this  
8 article and provisions of the Tax – General Article relating to alcoholic beverages to the  
9 Division director to issue or refuse to issue licenses and permits.

10 [1-305.] **1-315.**

11 (a) Except as provided in subsection (b) of this section, the [Comptroller]  
12 **EXECUTIVE DIRECTOR** may delegate authority to conduct hearings on violations of this  
13 article or of any regulations adopted under this article or the provisions of the Tax – General  
14 Article relating to alcoholic beverages to the Division director or any other employee of the  
15 [Comptroller's] **EXECUTIVE DIRECTOR'S** office.

16 (b) The Division director or any other employee of the [Comptroller's]  
17 **EXECUTIVE DIRECTOR'S** office delegated authority to conduct hearings under subsection  
18 (a) of this section:

19 (1) may not impose a penalty provided for under this article or a provision  
20 of the Tax – General Article relating to alcoholic beverages; and

21 (2) shall report the findings and recommendations to the [Comptroller]  
22 **EXECUTIVE DIRECTOR** to take the action that the [Comptroller] **EXECUTIVE**  
23 **DIRECTOR** considers appropriate.

24 [1-306.] **1-316.**

25 To provide a basis for annual comparison of the scope of the alcoholic beverages  
26 industry in the State and the consumption habits of residents of the State, the  
27 [Comptroller] **EXECUTIVE DIRECTOR** in each annual report shall include statistical  
28 information on the alcoholic beverages business in the State that the [Comptroller]  
29 **EXECUTIVE DIRECTOR** believes to be of interest to the public and the industry.

30 [1-307.] **1-317.**

31 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall:

32 (1) maintain a record of:

1 (i) each license issued or approved under this article; and

2 (ii) any revocation, suspension, or cancellation of a license and any  
3 restriction imposed on a license with a brief explanation of the reason for the action; and

4 (2) allow any person to inspect the records at the Office of the  
5 [Comptroller] **EXECUTIVE DIRECTOR** during regular business hours.

6 (b) The records of licenses required under subsection (a) of this section and any  
7 indices or dockets created to maintain the records:

8 (1) shall be retained for the later to occur of:

9 (i) 3 years after the date of the last record entry; or

10 (ii) the date on which all audit requirements have been complied  
11 with; and

12 (2) may be destroyed after:

13 (i) the retention period in item (1) of this subsection has expired;  
14 and

15 (ii) Title 10, Subtitle 6, Part III of the State Government Article has  
16 been complied with.

17 [1-308.] **1-318.**

18 The [Comptroller] **EXECUTIVE DIRECTOR** may:

19 (1) under § 6-202 of this article, inspect and search a building, vehicle, or  
20 premises where alcoholic beverages are authorized to be kept, transported, manufactured,  
21 or sold;

22 (2) under § 6-203 of this article, use certain equipment and other means to  
23 measure the quantity and quality of alcoholic beverages; and

24 (3) under § 6-204 of this article, issue summonses for witnesses for  
25 hearings and inquiries.

26 [1-309.] **1-319.**

27 The [Comptroller] **EXECUTIVE DIRECTOR** shall enforce the provisions of this  
28 article and provisions of the Tax – General Article relating to alcoholic beverages applicable  
29 to:

1 (1) the purchase or importation of alcoholic beverages by a department of  
2 liquor control or a liquor control board; and

3 (2) the sale of alcoholic beverages to a wholesaler or retail dealer by a  
4 department of liquor control or a liquor control board.

5 [1-310.] **1-320.**

6 The [Comptroller] **EXECUTIVE DIRECTOR** may:

7 (1) investigate the manufacture, sale, purchase, use, and transportation of  
8 industrial alcohol unfit for beverage use to the extent reasonably necessary to prevent  
9 conversion into an alcoholic beverage fit for consumption; and

10 (2) request information and assistance from other administrative units of  
11 the State, county, and municipal governments, county and municipal police departments,  
12 and all prosecuting officers as considered necessary by the [Comptroller] **EXECUTIVE**  
13 **DIRECTOR** to carry out this article and provisions of the Tax – General Article relating to  
14 alcoholic beverages.

### 15 Article – Business Regulation

16 16-101.

17 (a) In this title the following words have the meanings indicated.

18 (b) “Cigarette” means any size or shaped roll for smoking that is made of tobacco  
19 or tobacco mixed with another ingredient and wrapped in paper or in any other material  
20 except tobacco.

21 (c) “County license” means a license issued by the clerk to sell cigarettes at retail  
22 in a county.

23 **(D) “EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE**  
24 **ALCOHOL, AND TOBACCO, ~~AND MOTOR FUEL~~ COMMISSION.**

25 **[(d)] (E)** “Sell” means to exchange or transfer, or to agree to exchange or  
26 transfer, title or possession of property, in any manner or by any means, for consideration.

27 **[(e)] (F)** (1) “Sell cigarettes at retail” means to sell cigarettes to a consumer.

28 (2) “Sell cigarettes at retail” includes selling cigarettes through a vending  
29 machine.

30 16-102.

1 The [Comptroller] **EXECUTIVE DIRECTOR** may delegate any power or duty of the  
2 [Comptroller] **EXECUTIVE DIRECTOR** under this title.

3 16–201.

4 (a) In this subtitle the following words have the meanings indicated.

5 (b) “License” means:

6 (1) a license issued by the [Comptroller] **EXECUTIVE DIRECTOR** under §  
7 16–205(a) of this subtitle to:

8 (i) act as a manufacturer;

9 (ii) act as a subwholesaler;

10 (iii) act as a vending machine operator;

11 (iv) act as a wholesaler; or

12 (v) act as a storage warehouse; or

13 (2) a license issued by the clerk under § 16–205(b) of this subtitle to act as  
14 a retailer.

15 (c) “Licensed manufacturer” means a person licensed by the [Comptroller]  
16 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a manufacturer.

17 (d) “Licensed retailer” means a person licensed by the clerk under § 16–205(b) of  
18 this subtitle to act as a retailer.

19 (e) “Licensed storage warehouse” means a facility licensed by the [Comptroller]  
20 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a storage warehouse.

21 (f) “Licensed subwholesaler” means a person licensed by the [Comptroller]  
22 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a subwholesaler.

23 (g) “Licensed vending machine operator” means a person licensed by the  
24 [Comptroller] **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a  
25 vending machine operator.

26 (h) “Licensed wholesaler” means a person licensed by the [Comptroller]  
27 **EXECUTIVE DIRECTOR** under § 16–205(a) of this subtitle to act as a wholesaler.

28 (i) “Manufacturer” means a person who:

- 1           (1)   (i)   operates one or more cigarette manufacturing plants; or
- 2                           (ii)   is a participating manufacturer; and
- 3           (2)   (i)   sells unstamped cigarettes to a licensed cigarette wholesaler  
4 located in Maryland;
- 5                           (ii)   sells unstamped cigarettes that may lawfully be sold in Maryland  
6 to a licensed cigarette wholesaler located outside of Maryland;
- 7                           (iii)   unless otherwise prohibited or restricted under local law, this  
8 article, or the Criminal Law Article, distributes sample cigarettes to consumers located in  
9 Maryland; or
- 10                          (iv)   stores unstamped cigarettes in a cigarette storage warehouse in  
11 Maryland for subsequent shipment to licensed wholesalers, federal reservations, or persons  
12 out of state.
- 13       (j)   “Participating manufacturer” has the meaning stated in § 16–501 of this title.
- 14       (k)   “Retailer” means a person who:
- 15           (1)   sells cigarettes to consumers through vending machines on fewer than  
16 40 premises;
- 17           (2)   otherwise sells cigarettes to consumers; or
- 18           (3)   holds cigarettes for sale to consumers.
- 19       (l)   “Stamped cigarettes” means a package of cigarettes to which tobacco tax  
20 stamps are affixed in the amount and manner required by § 12–304 of the Tax – General  
21 Article.
- 22       (m)   “Storage warehouse” means a storage facility in Maryland operated for the  
23 purpose of storing unstamped cigarettes on behalf of a licensed cigarette manufacturer.
- 24       (n)   (1)   “Subwholesaler” means a person who:
- 25                           (i)   holds stamped cigarettes for sale to another person for resale; or
- 26                           (ii)   sells stamped cigarettes to another person for resale.
- 27           (2)   “Subwholesaler” does not include a person who sells unstamped  
28 cigarettes or holds unstamped cigarettes for sale.

1 (o) “Unstamped cigarettes” means a package of cigarettes to which tobacco tax  
2 stamps are not affixed in the amount and manner required by § 12–304 of the Tax – General  
3 Article.

4 (p) “Vending machine operator” means a person who:

5 (1) holds cigarettes for sale to consumers through vending machines on 40  
6 or more premises; or

7 (2) sells cigarettes to consumers through vending machines on 40 or more  
8 premises.

9 (q) “Wholesaler” means a person who:

10 (1) holds cigarettes for sale to another person for resale; or

11 (2) sells cigarettes to another person for resale.

12 16–204.

13 (a) An applicant for a license to act as a manufacturer shall:

14 (1) submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
15 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
16 requires; and

17 (2) pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.

18 (b) (1) An applicant for a license to act as a retailer shall:

19 (i) obtain the county license required under § 16–301 of this title;

20 (ii) submit to the clerk an application for each permanent or  
21 temporary place of business located in the same enclosure and operated by the same  
22 applicant; and

23 (iii) pay to the clerk a fee of \$30.

24 (2) The application shall:

25 (i) be made on the form that the clerk requires; and

26 (ii) contain the information that the [Comptroller] **EXECUTIVE**  
27 **DIRECTOR** requires.

28 (c) An applicant for a license to act as a storage warehouse shall:

- 1           (1)    submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
2 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
3 requires; and
- 4           (2)    pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.
- 5       (d)    An applicant for a license to act as a subwholesaler shall:
- 6           (1)    submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
7 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
8 requires; and
- 9           (2)    pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of:
- 10           (i)    \$500 for a 1–year term; or
- 11           (ii)   the amount that results when \$500 is prorated to the nearest  
12 month, if the application is for less than a 1–year term.
- 13       (e)    An applicant for a license to act as a vending machine operator shall:
- 14           (1)    obtain the county license required under § 16–301 of this title;
- 15           (2)    submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
16 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
17 requires; and
- 18           (3)    pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$500.
- 19       (f)    An applicant for a license to act as a wholesaler shall:
- 20           (1)    submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
21 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
22 requires; and
- 23           (2)    pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$750.
- 24       (g)    If a person has had a license revoked under § 16–210 of this subtitle, the  
25 person may not reapply for a license within 1 year after the date when the prior license was  
26 revoked.
- 27       (h)    (1)    In addition to the license fee otherwise required under this section:
- 28           (i)    an applicant for the initial issuance of a license issued by the  
29 [Comptroller] **EXECUTIVE DIRECTOR** under this title shall pay to the [Comptroller]  
30 **EXECUTIVE DIRECTOR** a nonrefundable application fee of \$200; and



1 (ii) an applicant for renewal of a license issued by the [Comptroller]  
2 **EXECUTIVE DIRECTOR** under this title shall pay to the [Comptroller] **EXECUTIVE**  
3 **DIRECTOR** a renewal fee of \$30.

4 (2) The application and renewal fees required under this subsection do not  
5 apply to a license that is issued by the clerk or to a storage warehouse license application.

6 16–205.

7 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall issue an appropriate license  
8 to each applicant who meets the requirements of this subtitle for a license to act as a  
9 manufacturer, storage warehouse, subwholesaler, vending machine operator, or  
10 wholesaler.

11 (b) The clerk shall issue to each applicant who meets the requirements of this  
12 subtitle a license to act as a retailer.

13 (c) The [Comptroller's Office] **EXECUTIVE DIRECTOR** shall provide to the  
14 Prevention and Health Promotion Administration each year the name and address of each  
15 person licensed under subsection (b) of this section.

16 16–206.

17 (a) A manufacturer license authorizes the licensee to:

18 (4) upon approval of the [Comptroller] **EXECUTIVE DIRECTOR**, act as an  
19 agent of a Maryland licensed wholesaler for stamping and distribution of cigarettes.

20 (f) A wholesaler license authorizes the licensee to:

21 (6) sell unstamped cigarettes to another licensed wholesaler if the  
22 [Comptroller] **EXECUTIVE DIRECTOR** specifically authorizes;

23 (7) upon approval of the [Comptroller] **EXECUTIVE DIRECTOR**, designate  
24 a licensed manufacturer to act as its agent for the stamping and distribution of cigarettes;  
25 and

26 16–207.

27 (c) Before a license issued under this subtitle expires, the licensee may renew it  
28 for an additional 1–year term, if the licensee:

29 (3) pays to the issuing official:

30 (i) the license fee required under § 16–204 of this subtitle; and

1 (ii) if the license is issued by the [Comptroller] **EXECUTIVE**  
2 **DIRECTOR**, the renewal fee required under § 16–204(h) of this subtitle.

3 16–208.

4 (a) (1) A licensed retailer or licensed vending machine operator may not assign  
5 the license.

6 (2) If a licensed subwholesaler or licensed wholesaler sells the licensee's  
7 cigarette business and pays to the [Comptroller] **EXECUTIVE DIRECTOR** a license  
8 assignment fee of \$10, the licensee may assign the license to the buyer of the business.

9 (b) If the cigarette business of a licensee is transferred because of bankruptcy,  
10 death, incompetency, receivership, or otherwise by operation of law, the [Comptroller]  
11 **EXECUTIVE DIRECTOR** shall transfer the license without charge to the new owner of the  
12 licensee's business.

13 (c) (1) If a licensed subwholesaler or licensed wholesaler surrenders the  
14 license to the Comptroller and if no disciplinary proceedings are pending against the  
15 licensee, the [Comptroller] **EXECUTIVE DIRECTOR** shall refund a pro rata part of the  
16 license fee for the unexpired term of the license.

17 (2) A licensed retailer or licensed vending machine operator is not allowed  
18 a refund for the unexpired term of the license.

19 16–209.

20 (a) A licensee shall display a license in the way that the [Comptroller]  
21 **EXECUTIVE DIRECTOR** requires by regulation.

22 (b) A licensee who sells cigarettes through a vending machine:

23 (1) shall place each package of cigarettes in the machine so that when the  
24 package is visible the tax stamps required by § 12–304 of the Tax – General Article are also  
25 visible; and

26 (2) in the way that the [Comptroller] **EXECUTIVE DIRECTOR** requires by  
27 regulation, shall:

28 (i) identify each vending machine with a conspicuous label that  
29 states the licensee's name, address, and telephone number; and

30 (ii) display on a conspicuous label applicable prohibitions and  
31 penalties under § 10–107 of the Criminal Law Article.

1 16–210.

2 (a) Subject to the hearing provisions of § 16–211 of this subtitle, the [Comptroller]  
3 **EXECUTIVE DIRECTOR** may deny a license to an applicant, reprimand a licensee, or  
4 suspend or revoke a license if the applicant or licensee:

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

7 (2) fraudulently or deceptively uses a license;

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

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

12 (5) buys cigarettes for resale:

13 (i) in violation of a license; or

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

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

18 (i) a felony; or

19 (ii) a misdemeanor that is a crime of moral turpitude and is directly  
20 related to the fitness and qualification of the applicant or licensee; or

21 (7) has not paid a tax due before October 1 of the year after the tax became  
22 due.

23 (b) Subject to the hearing provisions of § 16–211 of this subtitle, the [Comptroller]  
24 **EXECUTIVE DIRECTOR** may suspend or revoke a license if the licensee violates:

25 (1) Title 12 of the Tax – General Article, or regulations adopted under that  
26 title; or

27 (2) this title or regulations adopted under this title.

28 (c) Subject to the hearing provisions of § 16–211 of this subtitle, the [Comptroller]  
29 **EXECUTIVE DIRECTOR** shall deny a license to any applicant who has had a license  
30 revoked under this section until:

1 (1) 1 year has passed since the license was revoked; and

2 (2) it satisfactorily appears to the [Comptroller] **EXECUTIVE DIRECTOR**  
3 that the applicant will comply with this title and any regulations adopted under this title.

4 (d) Prior to the issuance or renewal of any license, the [Comptroller] **EXECUTIVE**  
5 **DIRECTOR** shall conduct an investigation with regard to:

6 (1) the applicant;

7 (2) the business to be operated; and

8 (3) the facts set forth in the application.

9 16–211.

10 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
11 before the [Comptroller] **EXECUTIVE DIRECTOR** takes any final action under § 16–210 of  
12 this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
13 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
14 **EXECUTIVE DIRECTOR**.

15 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
16 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

17 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
18 proceeding under this section.

19 (d) The person against whom the action is contemplated may be represented at  
20 the hearing by counsel.

21 (e) If, after due notice, the person against whom the action is contemplated does  
22 not appear, nevertheless the [Comptroller] **EXECUTIVE DIRECTOR** may hear and  
23 determine the matter.

24 16–212.

25 (a) Subject to the notice requirement of subsection (c) of this section, if a licensee  
26 engages in an act or omission that is a ground for discipline under § 16–210 of this subtitle,  
27 the [Comptroller] **EXECUTIVE DIRECTOR** may suspend the license for a consecutive  
28 period that:

29 (1) for a first offense, is not less than 5 nor more than 20 business days; or

1           (2)     for a subsequent offense, is not less than 20 business days nor more  
2 than 6 months.

3           (b)     Subject to the notice requirement under subsection (c) of this section, the  
4 **[Comptroller] EXECUTIVE DIRECTOR** may revoke a license if a licensee:

5           (1)     willfully and persistently engages in an act or omission that is a ground  
6 for discipline under § 16–210(a) of this subtitle; or

7           (2)     violates this title or Title 12 of the Tax – General Article, or regulations  
8 adopted under these titles.

9           (c)     If a license is suspended or revoked under this section:

10           (1)     the **[Comptroller] EXECUTIVE DIRECTOR** shall give the licensee  
11 notice of the suspension or revocation; and

12           (2)     the suspension or revocation may not take effect until at least 5  
13 business days following notice of the suspension or revocation.

14           (d)     The transfer, renewal, or expiration of a license will not bar or abate a  
15 disciplinary action under this section.

16           (e)     (1)     Except for a violation of § 10–107 of the Criminal Law Article, whenever  
17 any license issued under the provisions of this subtitle is suspended or revoked by the  
18 **[Comptroller] EXECUTIVE DIRECTOR**, the licensee may, before the effective date of the  
19 suspension or revocation, petition the **[Comptroller] EXECUTIVE DIRECTOR** for  
20 permission to make an offer of compromise consisting of a sum of money in lieu of serving  
21 the suspension or revocation.

22                   (2)     Money paid in lieu of suspension or revocation shall be paid into the  
23 General Fund of the State.

24                   (3)     An offer of compromise shall not exceed \$2,000 in the case of retail  
25 licensees, and shall not exceed \$50,000 for other licensees.

26                   (4)     The **[Comptroller] EXECUTIVE DIRECTOR** may accept the offer of  
27 compromise if:

28                           (i)     the public welfare and morals would not be impaired by allowing  
29 the licensee to operate during the period set for the suspension or revocation; and

30                           (ii)    the payment of the sum of money will achieve the desired  
31 disciplinary purposes.

1           (5)    The [Comptroller] **EXECUTIVE DIRECTOR** may promulgate rules and  
2 regulations necessary to carry out the purposes of this subsection.

3 16–213.

4           A party to a proceeding before the [Comptroller] **EXECUTIVE DIRECTOR** who is  
5 aggrieved by a final decision of the [Comptroller] **EXECUTIVE DIRECTOR** in a contested  
6 case, as defined in § 10–202 of the State Government Article, may take an appeal as allowed  
7 in §§ 10–222 and 10–223 of the State Government Article.

8 16–216.

9           (a)    The [Comptroller] **EXECUTIVE DIRECTOR** shall pay into the General Fund  
10 of the State all license fees collected under this title.

11 16–218.

12           (b)    (1)   Except as provided in paragraph (2) of this subsection, each  
13 subwholesaler and each wholesaler shall make an inventory record each month of all  
14 cigarettes on the premises or under the control of the subwholesaler or wholesaler:

15                   (i)    at the beginning or end of the month; or

16                   (ii)   on another specific day of the month, if the subwholesaler or  
17 wholesaler finds it more practical to take inventory on that day and notifies the  
18 [Comptroller] **EXECUTIVE DIRECTOR** that inventory will be taken on that day.

19           (2)    Cigarettes in a vending machine or cigarettes transferred to retail stock  
20 by written memorandum need not be included in the inventory record.

21           (c)    Each subwholesaler and each wholesaler shall:

22                   (1)    keep the records required by this section for 6 years or for a shorter time  
23 set by the [Comptroller] **EXECUTIVE DIRECTOR**; and

24                   (2)    allow the [Comptroller] **EXECUTIVE DIRECTOR** to examine the  
25 records.

26 16–219.

27           (b)    The [Comptroller] **EXECUTIVE DIRECTOR** by regulation may require a  
28 common carrier that brings cigarettes into the State to submit to the [Comptroller]  
29 **EXECUTIVE DIRECTOR** a copy of any freight bill relating to the cigarette shipment.

30 16–220.

1 (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall seal a vending machine to  
2 prevent the sale or removal of cigarettes from the machine if:

3 (1) a tax stamp is not visible on each visible package of cigarettes in the  
4 machine, as required by § 16–209(b)(1) of this subtitle; or

5 (2) the machine is not labeled as required by § 16–209(b)(2) of this subtitle.

6 (b) If the violation for which a vending machine is sealed has been corrected in  
7 the presence of the [Comptroller] **EXECUTIVE DIRECTOR** or the [Comptroller's]  
8 **EXECUTIVE DIRECTOR'S** designee, the [Comptroller] **EXECUTIVE DIRECTOR** shall  
9 remove the seal.

10 16–221.

11 (a) Except as otherwise provided in § 16–220 of this subtitle, a person may not  
12 remove or tamper with a seal placed on a vending machine by the [Comptroller]  
13 **EXECUTIVE DIRECTOR**.

14 (b) A person who willfully violates this section is guilty of a misdemeanor and, on  
15 conviction, is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 1 year  
16 or both.

17 16–222.

18 (a) A person may not ship, import, or sell into or within this State any brand of  
19 cigarette unless that person:

20 (1) (i) is the owner of the brand;

21 (ii) is the United States importer for the brand; or

22 (iii) is a designated agent in Maryland of:

23 1. the owner of the brand; or

24 2. the United States importer of the brand; and

25 (2) holds any license required by this subtitle.

26 (b) A person who ships, imports, or sells cigarettes into or within this State:

27 (1) shall comply with any federal and State requirements concerning the  
28 placement of warning labels or other information on the containers or individual packages  
29 of cigarettes; and

1           (2) shall ensure that the containers or individual packages of cigarettes do  
2 not contain any information or markings that are false, misleading, or contrary to:

3                   (i) federal trademark or tax laws;

4                   (ii) the trademark law of this State under Title 1, Subtitle 4 of this  
5 article; or

6                   (iii) the tax laws of this State under Title 12 of the Tax – General  
7 Article.

8           (c) A person who ships, imports, or sells cigarettes into or within this State in  
9 violation of this section is subject to disciplinary action by the [Comptroller] **EXECUTIVE**  
10 **DIRECTOR** under § 16–210 of this subtitle and to the penalty specified in § 13–1015 of the  
11 Tax – General Article.

12 16–223.

13           (c) (1) A licensee who sells or ships cigarettes in violation of this section or  
14 causes cigarettes to be shipped in violation of this section is:

15                   (i) subject to discipline by the [Comptroller] **EXECUTIVE**  
16 **DIRECTOR** under § 16–210 of this subtitle; and

17                   (ii) guilty of a felony and, on conviction, is subject to a fine not  
18 exceeding \$50 for each carton of cigarettes transported or imprisonment not exceeding 2  
19 years or both.

20           (2) A person other than a licensee who sells or ships cigarettes in violation  
21 of this section or causes cigarettes to be shipped in violation of this section is guilty of a  
22 felony and, on conviction, is subject to a fine not exceeding \$50 for each carton of cigarettes  
23 transported or imprisonment not exceeding 2 years or both.

24 16–302.

25           (b) (1) From each license fee collected under subsection (a) of this section, the  
26 Clerk of the Circuit Court for Montgomery County shall distribute:

27                   (i) \$25 to the [Comptroller] **EXECUTIVE DIRECTOR**; and

28                   (ii) \$100 to Montgomery County to be used to enforce existing laws  
29 banning the sale or distribution of tobacco or tobacco products to minors.

30           (2) Funds distributed under paragraph (1)(ii) of this subsection may not be  
31 used to supplant existing funding for the enforcement of laws banning the sale or  
32 distribution of tobacco or tobacco products to minors.



1 16-306.

2 Subject to the hearing provisions of § 16-307 of this subtitle, the [Comptroller]  
3 **EXECUTIVE DIRECTOR** may deny a county license to an applicant, reprimand a county  
4 licensee, or suspend or revoke a county license if the applicant or licensee:

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

7 (2) fraudulently or deceptively uses a license;

8 (3) violates § 16-308.1 of this subtitle; or

9 (4) fails to comply with the Maryland Cigarette Sales Below Cost Act and  
10 regulations adopted under it.

11 16-307.

12 (a) Except as otherwise provided in § 10-226 of the State Government Article,  
13 before the [Comptroller] **EXECUTIVE DIRECTOR** takes any final action under § 16-306 of  
14 this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
15 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
16 **EXECUTIVE DIRECTOR**.

17 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
18 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

19 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
20 proceeding under this section.

21 (d) The person against whom the action is contemplated may be represented at  
22 the hearing by counsel.

23 (e) If, after due notice, the person against whom the action is contemplated does  
24 not appear, nevertheless the [Comptroller] **EXECUTIVE DIRECTOR** may hear and  
25 determine the matter.

26 16-308.1.

27 (b) Authorized employees of the Field Enforcement Division of the  
28 [Comptroller's] **EXECUTIVE DIRECTOR'S** Office may enforce the provisions of subsection  
29 (a) of this section.

30 16-3B-01.

1 (a) A person may not violate a regulation adopted by the [Comptroller]  
2 **EXECUTIVE DIRECTOR** that applies to a person who sells cigarettes at retail.

3 (b) A person who violates this section is guilty of a misdemeanor and, on  
4 conviction, is subject to a fine of \$100.

5 16.5–101.

6 (a) In this title the following words have the meanings indicated.

7 (b) “County license” means a license issued by the clerk to sell other tobacco  
8 products at retail in a county.

9 (c) **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE**  
10 **ALCOHOL, TABACCO, ~~AND MOTOR FUEL~~ COMMISSION.**

11 [(c)] (D) “License” means:

12 (1) a license issued by the [Comptroller] **EXECUTIVE DIRECTOR** under §  
13 16.5–204(a) of this title to:

14 (i) act as a licensed other tobacco products manufacturer;

15 (ii) act as an other tobacco products wholesaler; or

16 (iii) act as an other tobacco products storage warehouse; or

17 (2) a license issued by the clerk under § 16.5–204(b) of this title to act as  
18 an other tobacco products retailer or a tobacconist.

19 [(d)] (E) “Licensed other tobacco products manufacturer” means a person  
20 licensed by the [Comptroller] **EXECUTIVE DIRECTOR** under § 16.5–204(a) of this title  
21 who:

22 (1) manufactures or otherwise produces other tobacco products in the State  
23 intended for sale in the State, including other tobacco products intended for sale in the  
24 State through an importer; and

25 (2) (i) sells other tobacco products on which the tobacco tax has not  
26 been paid to a licensed other tobacco products wholesaler in the State;

27 (ii) sells other tobacco products on which the tobacco tax has not  
28 been paid and which may lawfully be sold in the State to a licensed other tobacco products  
29 wholesaler located outside of the State;

1 (iii) unless otherwise prohibited or restricted under local law, this  
2 article, or the Criminal Law Article, distributes sample other tobacco products to  
3 consumers located in the State; or

4 (iv) stores other tobacco products in [an other] **ANOTHER** tobacco  
5 products warehouse in the State for subsequent shipment to licensed wholesalers, federal  
6 reservations, or persons outside of the State.

7 **[(e)] (F)** “Licensed other tobacco products retailer” means a person licensed by  
8 the clerk under § 16.5–204(b) of this title to act as an other tobacco products retailer.

9 **[(f)] (G)** “Licensed other tobacco products storage warehouse” means a facility  
10 licensed by the [Comptroller] **EXECUTIVE DIRECTOR** under § 16.5–204(a) of this title to  
11 act as an other tobacco products storage warehouse.

12 **[(g)] (H)** “Licensed other tobacco products wholesaler” means a person licensed  
13 by the [Comptroller] **EXECUTIVE DIRECTOR** under § 16.5–204(a) of this title to act as an  
14 other tobacco products wholesaler.

15 **[(h)] (I)** “Licensed tobacconist” means a person licensed by the clerk of a circuit  
16 court under § 16.5–204(b) of this title to act as a tobacconist.

17 **[(i)] (J)** “Other tobacco products” means:

18 (1) any cigar or roll for smoking, other than a cigarette, made in whole or  
19 in part of tobacco; or

20 (2) any other tobacco or product made primarily from tobacco, other than a  
21 cigarette, that is intended for consumption by smoking or chewing or as snuff.

22 **[(j)] (K)** “Other tobacco products manufacturer” means a person who:

23 (1) manufactures or otherwise produces other tobacco products intended  
24 for sale in this State, including other tobacco products intended for sale in the United States  
25 through an importer;

26 (2) (i) sells other tobacco products on which the tobacco tax has not  
27 been paid to a licensed other tobacco products wholesaler in Maryland;

28 (ii) sells other tobacco products on which the tobacco tax has not  
29 been paid and which may lawfully be sold in Maryland to a licensed other tobacco products  
30 wholesaler located outside Maryland;

31 (iii) unless otherwise prohibited or restricted under local law, this  
32 article, or the Criminal Law Article, distributes sample other tobacco products to  
33 consumers located in Maryland; or

1 (iv) stores other tobacco products in [an other] **ANOTHER** tobacco  
2 products storage warehouse in Maryland for subsequent shipment to licensed other tobacco  
3 products wholesalers, federal reservations, or persons out of state; or

4 (3) is a licensed other tobacco products manufacturer under this title.

5 [(k)] (L) “Other tobacco products retailer” means a person who:

6 (1) sells other tobacco products to consumers; or

7 (2) holds other tobacco products for sale to consumers.

8 [(l)] (M) “Other tobacco products storage warehouse” means a storage facility in  
9 Maryland operated for the purpose of storing other tobacco products on which the tobacco  
10 tax has not been paid on behalf of another tobacco products manufacturer.

11 [(m)] (N) “Other tobacco products wholesaler” means a person who:

12 (1) holds other tobacco products for sale to another person for resale; or

13 (2) sells other tobacco products to another person for resale.

14 [(n)] (O) (1) “Package” means a pack, box, carton, can, wrap, pouch, bag, or  
15 container of any kind designed for retail consumption in which other tobacco products are  
16 offered for sale, sold, or otherwise distributed.

17 (2) “Package” includes not more than 10 cigars offered for sale, sold, or  
18 distributed as single cigars.

19 [(o)] (P) “Pipe tobacco” means any tobacco that, because of its appearance, type,  
20 packaging, or labeling, is suitable for use and likely to be offered to, or purchased by,  
21 consumers as tobacco to smoke in a pipe.

22 [(p)] (Q) “Premium cigars” means cigars that:

23 (1) have hand-rolled wrappers made from whole tobacco leaves where the  
24 filler, binder, and wrapper are made of all tobacco, and may include adhesives or other  
25 materials used to maintain size, texture, or flavor; or

26 (2) are designated as premium cigars by the [Comptroller] **EXECUTIVE**  
27 **DIRECTOR** by regulation.

28 [(q)] (R) “Sell” means to exchange or transfer, or to agree to exchange or  
29 transfer, title or possession of property, in any manner or by any means, for consideration.

1            [(r)] (S)        “Sell other tobacco products at retail” means to sell other tobacco  
2 products to a consumer.

3            [(s)] (T)        “Tobacconist” means an other tobacco products business that derives at  
4 least 70% of its revenues, measured by average daily receipts, from the sale of other tobacco  
5 products and tobacco–related accessories.

6 16.5–102.

7            The [Comptroller] **EXECUTIVE DIRECTOR** may delegate any power or duty of the  
8 [Comptroller under this title] **EXECUTIVE DIRECTOR**.

9 16.5–203.

10            (a)    An applicant for a license to act as a licensed other tobacco products  
11 manufacturer shall:

12                    (1)    submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
13 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
14 requires; and

15                    (2)    pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.

16            (b)    (1)    An applicant for a license to act as an other tobacco products retailer or  
17 a tobacconist:

18                            (i)    shall obtain a county license by submitting to the clerk an  
19 application for each permanent or temporary place of business located in the same  
20 enclosure and operated by the same applicant; and

21                            (ii)    except as provided in paragraph (2) of this subsection, shall pay  
22 to the clerk a fee of \$15.

23                    (2)    A person who has a license issued under Title 16 of this article to act as  
24 a cigarette retailer or to act as a special cigarette retailer is not required to pay the license  
25 fee.

26                    (3)    The application shall:

27                            (i)    be made on the form that the clerk requires; and

28                            (ii)    contain the information that the [Comptroller] **EXECUTIVE**  
29 **DIRECTOR** requires.

30            (c)    An applicant for a license to act as an other tobacco products storage  
31 warehouse shall:

1           (1)     submit an application to the [Comptroller] **EXECUTIVE DIRECTOR** on  
2 the form and containing the information that the [Comptroller] **EXECUTIVE DIRECTOR**  
3 requires; and

4           (2)     pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25.

5           (d)     (1)    An applicant for a license to act as an other tobacco products wholesaler  
6 shall:

7                   (i)     submit an application to the [Comptroller] **EXECUTIVE**  
8 **DIRECTOR** on the form and containing the information that the [Comptroller]  
9 **EXECUTIVE DIRECTOR** requires; and

10                   (ii)    except as provided in paragraph (2) of this subsection, pay to the  
11 [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$250.

12           (2)     A person who has a license issued under Title 16 of this article to act as  
13 a cigarette wholesaler or to act as a cigarette subwholesaler is not required to pay the  
14 license fee.

15           (e)     A licensee shall display a license in the way that the [Comptroller]  
16 **EXECUTIVE DIRECTOR** requires by regulation.

17           (f)     If a person has had a license revoked under § 16.5–208 of this subtitle, the  
18 person may not reapply for a license within 1 year after the date when the prior license was  
19 revoked.

20 16.5–204.

21           (a)     The [Comptroller] **EXECUTIVE DIRECTOR** shall issue an appropriate license  
22 to each applicant who meets the requirements of this subtitle for a license to act as a  
23 licensed other tobacco products manufacturer, other tobacco products storage warehouse,  
24 or other tobacco products wholesaler.

25 16.5–205.

26           (a)     An other tobacco products manufacturer may:

27                   (5)     on approval of the [Comptroller] **EXECUTIVE DIRECTOR**, act as an  
28 agent of a Maryland other tobacco products wholesaler for distribution of other tobacco  
29 products.

30           (d)     An other tobacco products wholesaler license authorizes the licensee to:

1           (5)     sell other tobacco products on which the tobacco tax has not been paid  
2 to another licensed other tobacco products wholesaler if the [Comptroller] **EXECUTIVE**  
3 **DIRECTOR** specifically authorizes; and

4 16.5–207.

5           (a)     (1)    A licensed other tobacco products retailer or a licensed tobacconist may  
6 not assign the license.

7           (2)     If a licensed other tobacco products wholesaler sells the licensee's other  
8 tobacco products business and pays to the [Comptroller] **EXECUTIVE DIRECTOR** a license  
9 assignment fee of \$10, the licensee may assign the license to the buyer of the business, if  
10 the buyer otherwise qualifies under this title for an other tobacco products wholesaler's  
11 license.

12          (b)     If the other tobacco products business of a licensee is transferred because of  
13 bankruptcy, death, incompetency, receivership, or otherwise by operation of law, the  
14 [Comptroller] **EXECUTIVE DIRECTOR** shall transfer the license without charge to the new  
15 owner of the licensee's business, if the transferee otherwise qualifies under this title for the  
16 license being transferred.

17          (c)     (1)    If a licensed other tobacco products wholesaler surrenders the license  
18 to the [Comptroller] **EXECUTIVE DIRECTOR** and if no disciplinary proceedings are  
19 pending against the licensee, the [Comptroller] **EXECUTIVE DIRECTOR** shall refund a pro  
20 rata part of the license fee for the unexpired term of the license.

21          (2)     A licensed other tobacco products retailer or a licensed tobacconist is  
22 not allowed a refund for the unexpired term of the license.

23 16.5–208.

24          (a)     Subject to the hearing provisions of § 16.5–209 of this subtitle, the  
25 [Comptroller] **EXECUTIVE DIRECTOR** may deny a license to an applicant, reprimand a  
26 licensee, or suspend or revoke a license if the applicant or licensee:

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

29               (2)     fraudulently or deceptively uses a license;

30               (3)     buys other tobacco products for resale:

31                   (i)     in violation of a license; or

32                   (ii)    from a person who is not an other tobacco products manufacturer  
33 or licensed other tobacco products wholesaler;

1 (4) is convicted, under the laws of the United States or of any other state,  
2 of:

3 (i) a felony; or

4 (ii) a misdemeanor that is a crime of moral turpitude and is directly  
5 related to the fitness and qualification of the applicant or licensee;

6 (5) violates Title 12 of the Tax – General Article or regulations adopted  
7 under that title; or

8 (6) violates this title or Title 16 of this article or regulations adopted under  
9 these titles.

10 (b) Subject to the hearing provisions of § 16.5–209 of this subtitle, the  
11 **[Comptroller] EXECUTIVE DIRECTOR** shall deny a license to any applicant who has had  
12 a license revoked under this section until:

13 (1) 1 year has passed since the license was revoked; and

14 (2) it satisfactorily appears to the **[Comptroller] EXECUTIVE DIRECTOR**  
15 that the applicant will comply with this title and any regulations adopted under this title.

16 (c) Prior to the issuance or renewal of any license, the **[Comptroller] EXECUTIVE**  
17 **DIRECTOR** shall conduct an investigation with regard to:

18 (1) the applicant;

19 (2) the business to be operated; and

20 (3) the facts set forth in the application.

21 16.5–209.

22 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
23 before the **[Comptroller] EXECUTIVE DIRECTOR** takes any final action under § 16.5–208  
24 of this subtitle, the **[Comptroller] EXECUTIVE DIRECTOR** shall give the person against  
25 whom the action is contemplated an opportunity for a hearing before the **[Comptroller]**  
26 **EXECUTIVE DIRECTOR**.

27 (b) The **[Comptroller] EXECUTIVE DIRECTOR** shall give notice and hold the  
28 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

29 (c) The **[Comptroller] EXECUTIVE DIRECTOR** may administer oaths in a  
30 proceeding under this section.



1 (d) The person against whom the action is contemplated may be represented at  
2 the hearing by counsel.

3 (e) If, after due notice, the person against whom the action is contemplated does  
4 not appear, nevertheless the [Comptroller] **EXECUTIVE DIRECTOR** may hear and  
5 determine the matter.

6 16.5–210.

7 (a) Subject to the notice requirement of subsection (c) of this section, if a licensee  
8 engages in an act or omission that is a ground for discipline under § 16.5–208 of this  
9 subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** may suspend the license for a  
10 consecutive period that:

11 (1) for a first offense, is not less than 5 nor more than 20 business days; or

12 (2) for a subsequent offense, is not less than 20 business days nor more  
13 than 6 months.

14 (b) Subject to the notice requirement under subsection (c) of this section, the  
15 [Comptroller] **EXECUTIVE DIRECTOR** may revoke a license if a licensee:

16 (1) willfully and persistently engages in an act or omission that is a ground  
17 for discipline under § 16.5–208(a) of this subtitle; or

18 (2) violates this title or Title 12 of the Tax – General Article or regulations  
19 adopted under these titles.

20 (c) If a license is suspended or revoked under this section:

21 (1) the [Comptroller] **EXECUTIVE DIRECTOR** shall give the licensee  
22 notice of the suspension or revocation; and

23 (2) the suspension or revocation may not take effect until at least 5  
24 business days following notice of the suspension or revocation.

25 (d) The transfer, renewal, or expiration of a license will not bar or abate a  
26 disciplinary action under this section.

27 (e) (1) Except for a violation of § 10–107 of the Criminal Law Article, whenever  
28 any license issued under the provisions of this subtitle is suspended or revoked by the  
29 [Comptroller] **EXECUTIVE DIRECTOR**, the licensee may, before the effective date of the  
30 suspension or revocation, petition the [Comptroller] **EXECUTIVE DIRECTOR** for  
31 permission to make an offer of compromise consisting of a sum of money in lieu of serving  
32 the suspension or revocation.

1           (2) Money paid in lieu of suspension or revocation shall be paid into the  
2 General Fund of the State.

3           (3) An offer of compromise may not exceed \$2,000 in the case of retail  
4 licensees and may not exceed \$50,000 for other licensees.

5           (4) The [Comptroller] **EXECUTIVE DIRECTOR** may accept the offer of  
6 compromise if:

7                   (i) the public welfare and morals would not be impaired by allowing  
8 the licensee to operate during the period set for the suspension or revocation; and

9                   (ii) the payment of the sum of money will achieve the desired  
10 disciplinary purposes.

11           (5) The [Comptroller] **EXECUTIVE DIRECTOR** may adopt regulations to  
12 carry out this subsection.

13 16.5–211.

14           A party to a proceeding before the [Comptroller] **EXECUTIVE DIRECTOR** who is  
15 aggrieved by a final decision of the [Comptroller] **EXECUTIVE DIRECTOR** in a contested  
16 case, as defined in § 10–202 of the State Government Article, is entitled to judicial review  
17 as provided in §§ 10–222 and 10–223 of the State Government Article.

18 16.5–213.

19           (a) (1) The [Comptroller] **EXECUTIVE DIRECTOR** shall pay into the General  
20 Fund of the State all license fees collected under this title.

21                   (2) All license fees collected by the counties are subject to the distribution  
22 provisions of § 17–206 of this article.

23           (b) The General Assembly intends that these license fees be used to administer  
24 this title.

25 16.5–214.

26           (b) (1) Except as provided in paragraph (2) of this subsection, each other  
27 tobacco products wholesaler shall make an inventory record each month of all other tobacco  
28 products on the premises or under the control of the other tobacco products wholesaler:

29                   (i) at the beginning or end of the month; or

1 (ii) on another specific day of the month, if the other tobacco products  
2 wholesaler finds it more practical to take inventory on that day and notifies the  
3 [Comptroller] **EXECUTIVE DIRECTOR** that inventory will be taken on that day.

4 (2) Other tobacco products transferred to retail stock by written  
5 memorandum need not be included in the inventory record.

6 (c) Each other tobacco products wholesaler shall:

7 (1) keep the records required by this section for 6 years or for a shorter time  
8 set by the [Comptroller] **EXECUTIVE DIRECTOR**; and

9 (2) allow the [Comptroller] **EXECUTIVE DIRECTOR** to examine the  
10 records.

11 16.5–215.

12 (b) The [Comptroller] **EXECUTIVE DIRECTOR** by regulation may require a  
13 common carrier that brings other tobacco products into the State to submit to the  
14 [Comptroller] **EXECUTIVE DIRECTOR** a copy of any freight bill relating to the other  
15 tobacco products shipment.

16 16.5–216.

17 (c) A person who ships, imports, or sells other tobacco products into or within this  
18 State in violation of this section is subject to disciplinary action by the [Comptroller]  
19 **EXECUTIVE DIRECTOR** under § 16.5–208 of this subtitle and to the penalty specified in §  
20 13–1015 of the Tax – General Article.

21 16.5–217.

22 (c) (1) A licensee who sells or ships other tobacco products in violation of this  
23 section or causes other tobacco products to be shipped in violation of this section is:

24 (i) subject to discipline by the [Comptroller] **EXECUTIVE**  
25 **DIRECTOR** under § 16.5–208 of this subtitle; and

26 (ii) guilty of a felony and on conviction is subject to a fine not  
27 exceeding \$50 for each package of other tobacco products transported or imprisonment not  
28 exceeding 2 years or both.

29 16.7–101.

30 (a) In this title the following words have the meanings indicated.

1 (b) “County license” means a license issued by the clerk to sell electronic nicotine  
2 delivery systems to consumers in a county.

3 (c) (1) “Electronic nicotine delivery system” means an electronic device, a  
4 component for an electronic device, or a product used to refill or resupply an electronic  
5 device that can be used to deliver nicotine to an individual inhaling from the device.

6 (2) “Electronic nicotine delivery system” includes an electronic cigarette,  
7 an electronic cigar, an electronic cigarillo, an electronic pipe, and vaping liquid.

8 (3) “Electronic nicotine delivery system” does not include:

9 (i) a nicotine device that contains or delivers nicotine intended for  
10 human consumption if the device has been approved by the United States Food and Drug  
11 Administration for sale as a tobacco cessation product and is being marketed and sold solely  
12 for that purpose;

13 (ii) cannabis oil or any other unlawful substance; or

14 (iii) an electronic device that is being used to deliver cannabis oil or  
15 another unlawful substance.

16 (d) “Electronic nicotine delivery systems manufacturer” means a person that:

17 (1) manufactures, mixes, or otherwise produces electronic nicotine delivery  
18 systems intended for sale in the State, including electronic nicotine delivery systems  
19 intended for sale in the United States through an importer; and

20 (2) (i) sells electronic nicotine delivery systems to a consumer, if the  
21 consumer purchases or orders the systems through the mail, a computer network, a  
22 telephonic network, or another electronic network, a licensed electronic nicotine delivery  
23 systems wholesaler distributor, or a licensed electronic nicotine delivery systems  
24 wholesaler importer in the State;

25 (ii) if the electronic nicotine delivery systems manufacturer also  
26 holds a license to act as an electronic nicotine delivery systems retailer or a vape shop  
27 vendor, sells electronic nicotine delivery systems to consumers located in the State; or

28 (iii) unless otherwise prohibited or restricted under local law, this  
29 article, or the Criminal Law Article, distributes sample electronic nicotine delivery systems  
30 to a licensed electronic nicotine delivery systems retailer or vape shop vendor.

31 (e) “Electronic nicotine delivery systems retailer” means a person that:

32 (1) sells electronic nicotine delivery systems to consumers;

33 (2) holds electronic nicotine delivery systems for sale to consumers; or

1 (3) unless otherwise prohibited or restricted under local law, this article,  
2 the Criminal Law Article, or § 24–305 of the Health – General Article, distributes sample  
3 electronic nicotine delivery systems to consumers in the State.

4 (f) “Electronic nicotine delivery systems wholesaler distributor” means a person  
5 that:

6 (1) obtains at least 70% of its electronic nicotine delivery systems from a  
7 holder of an electronic nicotine delivery systems manufacturer license under this subtitle  
8 or a business entity located in the United States; and

9 (2) (i) holds electronic nicotine delivery systems for sale to another  
10 person for resale; or

11 (ii) sells electronic nicotine delivery systems to another person for  
12 resale.

13 (g) “Electronic nicotine delivery systems wholesaler importer” means a person  
14 that:

15 (1) obtains at least 70% of its electronic nicotine delivery systems from a  
16 business entity located in a foreign country; and

17 (2) (i) holds electronic nicotine delivery systems for sale to another  
18 person for resale; or

19 (ii) sells electronic nicotine delivery systems to another person for  
20 resale.

21 (h) **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE**  
22 **ALCOHOL, TOBACCO, AND ~~MOTOR FUEL~~ COMMISSION.**

23 (I) “License” means:

24 (1) a license issued by the [Comptroller] **EXECUTIVE DIRECTOR** under §  
25 16.7–203(a) of this title to:

26 (i) act as a licensed electronic nicotine delivery systems  
27 manufacturer;

28 (ii) act as a licensed electronic nicotine delivery systems wholesaler  
29 distributor; or

30 (iii) act as a licensed electronic nicotine delivery systems wholesaler  
31 importer; or

1 (2) a license issued by the clerk under § 16.7–203(b) of this title to:

2 (i) act as a licensed electronic nicotine delivery systems retailer; or

3 (ii) act as a licensed vape shop vendor.

4 [(i)] (J) “Sell” means to exchange or transfer, or to agree to exchange or  
5 transfer, title or possession of property, in any manner or by any means, for consideration.

6 [(j)] (K) “Vape shop vendor” means an electronic nicotine delivery systems  
7 business that derives at least 70% of its revenues, measured by average daily receipts, from  
8 the sale of electronic nicotine delivery systems and related accessories.

9 [(k)] (L) “Vaping liquid” means a liquid that:

10 (1) consists of propylene glycol, vegetable glycerin, or other similar  
11 substance;

12 (2) may or may not contain natural or artificial flavors;

13 (3) may or may not contain nicotine; and

14 (4) converts to vapor intended for inhalation when heated in an electronic  
15 device.

16 16.7–102.

17 (a) The [Comptroller] **EXECUTIVE DIRECTOR** may delegate any power or duty  
18 of the [Comptroller] **EXECUTIVE DIRECTOR** under this title.

19 16.7–202.

20 (a) (1) An applicant for a license to act as an electronic nicotine delivery  
21 systems manufacturer, electronic nicotine delivery systems wholesaler distributor, or  
22 electronic nicotine delivery systems wholesaler importer shall:

23 (i) obtain an appropriate county license by submitting an  
24 application to the [Comptroller] **EXECUTIVE DIRECTOR** on the form and containing the  
25 information that the [Comptroller] **EXECUTIVE DIRECTOR** requires;

26 (ii) indicate the licenses for which the applicant is applying; and

27 (iii) except as provided in paragraph (2) of this subsection, pay to the  
28 [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$25 for each license for which the applicant  
29 applies.

1           (2) An applicant for a license to act as an electronic nicotine delivery  
2 systems wholesaler distributor or electronic nicotine delivery systems wholesaler importer  
3 shall pay to the [Comptroller] **EXECUTIVE DIRECTOR** a fee of \$150.

4           (b) (1) An applicant for a license to act as an electronic nicotine delivery  
5 systems retailer or a vape shop vendor:

6                   (i) shall obtain a county license by submitting to the clerk an  
7 application for each permanent or temporary place of business located in the same  
8 enclosure and operated by the same applicant; and

9                   (ii) except as provided in paragraph (2) of this subsection, shall pay  
10 to the clerk a fee of \$25.

11           (2) The application shall:

12                   (i) be made on the form that the clerk requires; and

13                   (ii) contain the information that the [Comptroller] **EXECUTIVE**  
14 **DIRECTOR** requires.

15           (c) A licensee shall display a license in the way that the [Comptroller]  
16 **EXECUTIVE DIRECTOR** requires by regulation.

17           (d) If a person has had a license revoked under § 16.7–207 of this subtitle, the  
18 person may not reapply for a license within 1 year after the date when the prior license was  
19 revoked.

20 16.7–203.

21           (a) The [Comptroller] **EXECUTIVE DIRECTOR** shall issue an appropriate license  
22 to each applicant that meets the requirements of this subtitle for a license to act as an  
23 electronic nicotine delivery systems manufacturer, electronic nicotine delivery systems  
24 wholesaler distributor, or electronic nicotine delivery systems wholesaler importer.

25           (b) The clerk shall issue to each applicant that meets the requirements of this  
26 subtitle a license to act as an electronic nicotine delivery systems retailer or a vape shop  
27 vendor.

28           (c) The clerk shall forward a copy of an application received for each license  
29 issued under subsection (b) of this section to the [Comptroller] **EXECUTIVE DIRECTOR**  
30 within 30 days [of] **AFTER** issuance of the license.

31 16.7–206.

1 (a) (1) A licensed electronic nicotine delivery systems retailer or a licensed  
2 vape shop vendor may not assign the license.

3 (2) If a licensed electronic nicotine delivery systems wholesaler distributor  
4 or electronic nicotine delivery systems wholesaler importer sells the licensee's electronic  
5 nicotine delivery systems business and pays to the [Comptroller] **EXECUTIVE DIRECTOR**  
6 a license assignment fee of \$10, the licensee may assign the license to the buyer of the  
7 business if the buyer otherwise qualifies under this title for an electronic nicotine delivery  
8 systems wholesaler's distributor or importer license.

9 (b) If the electronic nicotine delivery systems business of a licensee is transferred  
10 because of bankruptcy, death, incompetency, receivership, or otherwise by operation of law,  
11 the [Comptroller] **EXECUTIVE DIRECTOR** shall transfer the license without charge to the  
12 new owner of the licensee's business if the transferee otherwise qualifies under this title  
13 for the license being transferred.

14 (c) (1) If a licensed electronic nicotine delivery systems wholesaler distributor  
15 or electronic nicotine delivery systems wholesaler importer surrenders the license to the  
16 [Comptroller] **EXECUTIVE DIRECTOR** and if no disciplinary proceedings are pending  
17 against the licensee, the [Comptroller] **EXECUTIVE DIRECTOR** shall refund a pro rata  
18 portion of the license fee for the unexpired term of the license.

19 (2) A licensed electronic nicotine delivery systems retailer or a licensed  
20 vape shop vendor is not allowed a refund for the unexpired term of the license.

21 16.7–207.

22 (a) Subject to the hearing provisions of § 16.7–208 of this subtitle, the  
23 [Comptroller] **EXECUTIVE DIRECTOR** may deny a license to an applicant, reprimand a  
24 licensee, or suspend or revoke a license if the applicant or licensee:

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

27 (2) fraudulently or deceptively uses a license;

28 (3) buys electronic nicotine delivery systems for resale:

29 (i) in violation of a license; or

30 (ii) from a person that is not a licensed electronic nicotine delivery  
31 systems manufacturer or a licensed electronic nicotine delivery systems wholesaler;

32 (4) is convicted, under the laws of the United States or of any other state,  
33 of:

34 (i) a felony; or



1 (ii) a misdemeanor that is a crime of moral turpitude and is directly  
2 related to the fitness and qualification of the applicant or licensee;

3 (5) violates federal, State, or local law regarding the sale of electronic  
4 nicotine delivery systems; or

5 (6) violates this title, Title 16, or Title 16.5 of this article or regulations  
6 adopted under these titles.

7 (b) Subject to the hearing provisions of § 16.7–208 of this subtitle, the  
8 [Comptroller] **EXECUTIVE DIRECTOR** shall deny a license to any applicant that has had  
9 a license revoked under this section until:

10 (1) 1 year has passed since the license was revoked; and

11 (2) it satisfactorily appears to the [Comptroller] **EXECUTIVE DIRECTOR**  
12 that the applicant will comply with this title and any regulations adopted under this title.

13 (c) Prior to the issuance or renewal of any license, the [Comptroller] **EXECUTIVE**  
14 **DIRECTOR** shall conduct an investigation with regard to:

15 (1) the applicant;

16 (2) the business to be operated; and

17 (3) the facts set forth in the application.

18 16.7–208.

19 (a) Except as otherwise provided in § 10–226 of the State Government Article,  
20 before the [Comptroller] **EXECUTIVE DIRECTOR** takes any final action under § 16.7–207  
21 of this subtitle, the [Comptroller] **EXECUTIVE DIRECTOR** shall give the person against  
22 whom the action is contemplated an opportunity for a hearing before the [Comptroller]  
23 **EXECUTIVE DIRECTOR**.

24 (b) The [Comptroller] **EXECUTIVE DIRECTOR** shall give notice and hold the  
25 hearing in accordance with Title 10, Subtitle 2 of the State Government Article.

26 (c) The [Comptroller] **EXECUTIVE DIRECTOR** may administer oaths in a  
27 proceeding under this section.

28 (d) The person against which the action is contemplated may be represented at  
29 the hearing by counsel.

1 (e) If, after due notice, the person against which the action is contemplated does  
2 not appear, the [Comptroller] **EXECUTIVE DIRECTOR** may nevertheless hear and  
3 determine the matter.

4 16.7–209.

5 (a) Subject to the notice requirement of subsection (c) of this section, if a licensee  
6 engages in an act or omission that is grounds for discipline under § 16.7–207 of this subtitle,  
7 the [Comptroller] **EXECUTIVE DIRECTOR** may suspend the license for a consecutive  
8 period of time that:

9 (1) for a first offense, is not less than 5 and not more than 20 business days;  
10 and

11 (2) for a subsequent offense, is not less than 20 business days and not more  
12 than 6 months.

13 (b) Subject to the notice requirement under subsection (c) of this section, the  
14 [Comptroller] **EXECUTIVE DIRECTOR** may revoke a license if a licensee willfully and  
15 persistently engages in an act or omission that is grounds for discipline under § 16.7–207(a)  
16 of this subtitle.

17 (c) If a license is suspended or revoked under this section:

18 (1) the [Comptroller] **EXECUTIVE DIRECTOR** shall give the licensee  
19 notice of the suspension or revocation; and

20 (2) the suspension or revocation of a license may not bar or abate a  
21 disciplinary action under this section.

22 (d) The transfer, renewal, or expiration of a license may not bar or abate a  
23 disciplinary action under this section.

24 (e) (1) (i) Except as provided in subparagraph (ii) of this paragraph, if a  
25 license issued under the provisions of this subtitle is suspended or revoked by the  
26 [Comptroller] **EXECUTIVE DIRECTOR**, the licensee may, before the effective date of the  
27 suspension or revocation, petition the [Comptroller] **EXECUTIVE DIRECTOR** for  
28 permission to make an offer of compromise consisting of a sum of money in lieu of serving  
29 the suspension or revocation.

30 (ii) Subparagraph (i) of this paragraph does not apply if a license is  
31 suspended or revoked for a violation of § 24–305 of the Health – General Article, or any  
32 other federal, State, or local law prohibiting the sale of electronic nicotine delivery systems  
33 to minors.

1 (2) Money paid in lieu of suspension or revocation shall be paid into the  
2 General Fund of the State.

3 (3) An offer of compromise may not exceed \$2,000 for retail licensees or  
4 \$50,000 for other licensees.

5 (4) The [Comptroller] **EXECUTIVE DIRECTOR** may accept the offer of  
6 compromise if:

7 (i) the public welfare and morals would not be impaired by allowing  
8 the licensee to operate during the period set for the suspension or revocation; and

9 (ii) the payment of the sum of money will achieve the desired  
10 disciplinary purposes.

11 (5) The [Comptroller] **EXECUTIVE DIRECTOR** may adopt regulations to  
12 carry out this subsection.

13 16.7–210.

14 A party to a proceeding before the [Comptroller] **EXECUTIVE DIRECTOR** that is  
15 aggrieved by a final decision of the [Comptroller] **EXECUTIVE DIRECTOR** in a contested  
16 case, as defined in § 10–202 of the State Government Article, is entitled to judicial review  
17 as provided in §§ 10–222 and 10–223 of the State Government Article.

18 16.7–212.

19 (a) (1) The [Comptroller] **EXECUTIVE DIRECTOR** shall pay into the General  
20 Fund of the State all license fees collected under this title.

21 (2) All license fees collected by the counties under this title are subject to  
22 the distribution provisions of § 17–205 of this article.

23 (b) The General Assembly intends that these license fees be used to administer  
24 this title.

25 16.7–213.

26 (c) A person that ships, imports, or sells electronic nicotine delivery systems into  
27 or within the State in violation of this section is subject to disciplinary action by the  
28 [Comptroller] **EXECUTIVE DIRECTOR** under § 16.7–207 of this subtitle.

29 **Article – Tax – General**

30 ~~9–301.~~

- 1       ~~(a) In this subtitle the following words have the meanings indicated.~~
- 2       ~~(b) (1) "Blend" means to mix together any combination of:~~
- 3               ~~(i) alkylate;~~
- 4               ~~(ii) aromatic;~~
- 5               ~~(iii) cracked gasoline;~~
- 6               ~~(iv) natural gasoline;~~
- 7               ~~(v) polymer gasoline; or~~
- 8               ~~(vi) straight-run gasoline.~~
- 9       ~~(2) "Blend" does not include adding alcohol to gasoline.~~
- 10       ~~(c) (1) "Dealer" means a person who engages in the business of a dealer.~~
- 11       ~~(2) "Dealer" includes:~~
- 12               ~~(i) the State when it engages in the business of a dealer; and~~
- 13               ~~(ii) a political subdivision of the State when the subdivision engages~~
- 14 ~~in the business of a dealer.~~
- 15       ~~(d) (1) "Distributor" means a person who engages in the business of a~~
- 16 ~~distributor.~~
- 17       ~~(2) "Distributor" does not include:~~
- 18               ~~(i) a licensed dealer;~~
- 19               ~~(ii) a licensed special fuel seller;~~
- 20               ~~(iii) a licensed special fuel user;~~
- 21               ~~(iv) a licensed turbine fuel seller;~~
- 22               ~~(v) a marina; or~~
- 23               ~~(vi) a retail service station dealer.~~
- 24       ~~(e) (1) "Engage in the business of a dealer" means to:~~
- 25               ~~(i) import any gasoline into the State;~~

1                                   (ii)   ~~blend, in the State, any gasoline on which the motor fuel tax has~~  
2 ~~not been paid;~~

3                                   (iii) ~~refine, in the State, any gasoline on which the motor fuel tax has~~  
4 ~~not been paid; or~~

5                                   (iv) ~~acquire, in the State, any gasoline on which the motor fuel tax~~  
6 ~~has not been paid, for:~~

7                                   ~~1.    export; or~~

8                                   ~~2.    wholesale distribution.~~

9                                   (2)   ~~“Engage in the business of a dealer” does not include bringing gasoline~~  
10 ~~into the State in the fuel supply tank of an aircraft, motor vehicle, or vessel.~~

11                                  (f)    ~~“Engage in the business of a distributor” means to buy for resale motor fuel~~  
12 ~~on which the motor fuel tax has been paid from a licensed dealer, licensed special fuel seller,~~  
13 ~~licensed special fuel user, or licensed turbine fuel seller.~~

14                                  (g)    (1)   ~~“Engage in the business of a special fuel seller” means, with respect to~~  
15 ~~special fuel other than turbine fuel, to:~~

16                                   (i)    ~~import any special fuel into the State;~~

17                                   (ii)   ~~sell, in the State, any special fuel on which the motor fuel tax has~~  
18 ~~not been paid; or~~

19                                   (iii) ~~deliver, in the State, any special fuel on which the motor fuel tax~~  
20 ~~has not been paid.~~

21                                  (2)   ~~“Engage in the business of a special fuel seller” does not include~~  
22 ~~bringing special fuel into the State in the fuel supply tank of a motor vehicle or vessel.~~

23                                  (h)    ~~“Engage in the business of a special fuel user” means to:~~

24                                   (1)   ~~buy special fuel on which the motor fuel tax has not been paid; and~~

25                                   (2)   ~~use it in a motor vehicle that is:~~

26                                   (i)    ~~owned or operated by the special fuel user; and~~

27                                   (ii)   ~~registered to operate on a public highway.~~

28                                  (i)    (1)   ~~“Engage in the business of a turbine fuel seller” means to:~~

- 1                   (i)    ~~import any turbine fuel into the State;~~
- 2                   (ii)   ~~sell, in the State, any turbine fuel on which the motor fuel tax~~  
3 ~~has not been paid; or~~
- 4                   (iii) ~~deliver, in the State, any turbine fuel on which the motor fuel tax~~  
5 ~~has not been paid.~~

6                   (2)   ~~“Engage in the business of a turbine fuel seller” does not include~~  
7 ~~bringing turbine fuel into the State in the fuel supply tank of an aircraft.~~

8                   **~~(J) “EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE~~**  
9 **~~ALCOHOL, TOBACCO, AND MOTOR FUEL COMMISSION.~~**

10                  ~~[(j)] (K)    “License” means a license issued by the Comptroller under this subtitle~~  
11 ~~to engage in the business of a dealer, distributor, special fuel seller, special fuel user, or~~  
12 ~~turbine fuel seller.~~

13                  ~~[(k)] (L)    “Licensed dealer” means a person who is licensed to engage in the~~  
14 ~~business of a dealer.~~

15                  ~~[(l)] (M)    “Licensed distributor” means a person who is licensed to engage in the~~  
16 ~~business of a distributor.~~

17                  ~~[(m)] (N)    “Licensed special fuel seller” means a person who is licensed to engage~~  
18 ~~in the business of a special fuel seller.~~

19                  ~~[(n)] (O)    “Licensed special fuel user” means a person who is licensed to engage~~  
20 ~~in the business of a special fuel user.~~

21                  ~~[(o)] (P)    “Licensed turbine fuel seller” means a person who is licensed to engage~~  
22 ~~in the business of a turbine fuel seller.~~

23                  ~~[(p)] (Q)    “Marina” means a person who maintains a place of business where~~  
24 ~~motor fuel is sold primarily to vessels.~~

25                  ~~[(q)] (R)    “Refine” means to make crude oil into gasoline or special fuel by~~  
26 ~~changing the physical or chemical characteristics of the crude oil.~~

27                  ~~[(r)] (S)    “Retail service station dealer” means a person who operates a retail~~  
28 ~~place of business where motor fuel is sold and delivered into the fuel supply tanks of motor~~  
29 ~~vehicles.~~

30                  ~~[(s)] (T)    (1) “Special fuel seller” means a person who engages in the business~~  
31 ~~of a special fuel seller.~~

1           ~~(2) "Special fuel seller" does not include:~~

2                   ~~(i) a retail service station dealer who pays the motor fuel tax on~~  
3 ~~special fuel to the supplier of the special fuel; or~~

4                   ~~(ii) a marina that sells special fuel only to vessels.~~

5           ~~[(t)] (U) (1) "Special fuel user" means a person who engages in the business~~  
6 ~~of a special fuel user.~~

7           ~~(2) "Special fuel user" does not include:~~

8                   ~~(i) a person whose only storage for special fuel is the fuel supply~~  
9 ~~tank of a motor vehicle;~~

10                   ~~(ii) a volunteer fire or nonprofit volunteer rescue company that is~~  
11 ~~incorporated in the State and buys special fuel from a licensed special fuel seller to operate~~  
12 ~~fire fighting vehicles or equipment; or~~

13                   ~~(iii) a person who pays the motor fuel tax on all special fuels to the~~  
14 ~~supplier of the special fuels.~~

15           ~~[(u)] (V) "Turbine fuel seller" means a person who engages in the business of a~~  
16 ~~turbine fuel seller.~~

17 ~~9-310.~~

18           ~~(a) Each dealer, distributor, special fuel seller, or turbine fuel seller who sells~~  
19 ~~motor fuel shall give the buyer an original invoice that includes:~~

20                   ~~(1) the name under which the [Comptroller] EXECUTIVE DIRECTOR~~  
21 ~~licenses the seller; and~~

22                   ~~(2) a statement:~~

23                   ~~(i) of the amount of motor fuel tax charged; or~~

24                   ~~(ii) if tax is not charged, that the "Maryland motor fuel tax is not~~  
25 ~~included".~~

26 ~~9-318.~~

27           ~~A person shall be licensed by the [Comptroller] EXECUTIVE DIRECTOR before the~~  
28 ~~person may engage, in the State, in the business of:~~

29                   ~~(1) a dealer;~~

- 1           ~~(2) a distributor;~~  
2           ~~(3) a special fuel seller;~~  
3           ~~(4) a special fuel user; or~~  
4           ~~(5) a turbine fuel seller.~~

5 ~~9-320.~~

6           ~~(a) An applicant for a license shall submit to the [Comptroller] EXECUTIVE~~  
7 ~~DIRECTOR:~~

8           ~~(1) a completed application, on the form that the [Comptroller]~~  
9 ~~EXECUTIVE DIRECTOR requires, that:~~

10                   ~~(i) is made under oath;~~

11                   ~~(ii) states the name under which the applicant does or will do~~  
12 ~~business in the State;~~

13                   ~~(iii) states, for partnerships, the name of each partner;~~

14                   ~~(iv) states, for firms, the name of each member; and~~

15                   ~~(v) states, for corporations, the names and addresses of its principal~~  
16 ~~officers, resident agent, and attorney in fact; and~~

17           ~~(2) the bond required under Title 13 of this article.~~

18           ~~(b) An applicant for an exemption certificate shall submit a completed~~  
19 ~~application, on the form that the [Comptroller] EXECUTIVE DIRECTOR requires, that:~~

20                   ~~(1) is made under oath;~~

21                   ~~(2) states the name under which the applicant does or will do business in~~  
22 ~~the State;~~

23                   ~~(3) states, for partnerships, the name of each partner;~~

24                   ~~(4) states, for firms, the name of each member; and~~

25                   ~~(5) states, for corporations, the names and addresses of its principal~~  
26 ~~officers, resident agent, and attorney in fact.~~

27           ~~(c) The [Comptroller] EXECUTIVE DIRECTOR shall keep and index:~~



- 1           ~~(1) each application filed under this section;~~  
2           ~~(2) each bond filed under this section; and~~  
3           ~~(3) a record of:~~  
4                 ~~(i) each licensee; and~~  
5                 ~~(ii) each holder of an exemption certificate.~~

6 ~~9-321.~~

7           ~~(a) The [Comptroller] EXECUTIVE DIRECTOR shall issue a license of the~~  
8 ~~appropriate class to each applicant who meets the requirements of this subtitle.~~

9           ~~(b) The [Comptroller] EXECUTIVE DIRECTOR shall issue an exemption~~  
10 ~~certificate to each applicant who meets the requirements of this subtitle.~~

11 ~~9-322.~~

12           ~~(a) A Class "A" license authorizes the licensee to:~~

13                 ~~(1) import into this State gasoline on which the motor fuel tax has not been~~  
14 ~~paid;~~

15                 ~~(2) export from this State gasoline on which the motor fuel tax has not been~~  
16 ~~paid; and~~

17                 ~~(3) acquire in this State from another holder of a Class "A" license gasoline~~  
18 ~~on which the motor fuel tax has not been paid.~~

19           ~~(b) (1) A Class "B" license authorizes the licensee to import into this State~~  
20 ~~gasoline on which the motor fuel tax has not been paid, for personal use or for~~  
21 ~~redistribution.~~

22                 ~~(2) A holder of a Class "B" license may not acquire in this State gasoline on~~  
23 ~~which the motor fuel tax has not been paid.~~

24           ~~(c) (1) A Class "C" license authorizes the licensee to:~~

25                 ~~(i) acquire, in this State, from a supplier whom the [Comptroller]~~  
26 ~~EXECUTIVE DIRECTOR specifically approves, gasoline on which the motor fuel tax has~~  
27 ~~not been paid; and~~

28                 ~~(ii) export that gasoline.~~

1           ~~(2) A holder of a Class "C" license may not import into this State gasoline~~  
2 ~~on which the motor fuel tax has not been paid.~~

3           ~~(d) (1) A Class "D" license authorizes the licensee to acquire, in this State,~~  
4 ~~gasoline on which the motor fuel tax has not been paid from:~~

5                   ~~(i) a holder of a Class "A" license; or~~

6                   ~~(ii) another holder of a Class "D" license.~~

7           ~~(2) Unless authorized by the [Comptroller] EXECUTIVE DIRECTOR, a~~  
8 ~~holder of a Class "D" license may not import into this State gasoline on which the motor~~  
9 ~~fuel tax has not been paid.~~

10          ~~(e) A Class "F" license authorizes the licensee to engage, in this State, in the~~  
11 ~~business of a turbine fuel seller.~~

12          ~~(f) (1) A Class "G Temporary" license authorizes the licensee during the term~~  
13 ~~of the federal contract for which the license is issued to:~~

14                   ~~(i) acquire, in this State, gasoline on which the motor fuel tax has~~  
15 ~~not been paid, in the amount that the contract specifies and from a supplier whom the~~  
16 ~~[Comptroller] EXECUTIVE DIRECTOR specifically approves; and~~

17                   ~~(ii) deliver that amount to the location that the contract specifies.~~

18          ~~(2) A Class "G Temporary" license may be extended if:~~

19                   ~~(i) the original federal contract is extended; or~~

20                   ~~(ii) during the term of the license, another contract is awarded to the~~  
21 ~~licensee.~~

22          ~~(g) A Class "S" license authorizes a licensee to engage, in this State, in the~~  
23 ~~business of a special fuel seller.~~

24          ~~(h) A Class "U" license authorizes a licensee to engage, in this State, in the~~  
25 ~~business of a special fuel user.~~

26          ~~(i) A Class "W" license authorizes a licensee to engage, in this State, in the~~  
27 ~~business of a distributor.~~

28          ~~(j) A dealer who holds any class of license because the dealer was licensed before~~  
29 ~~July 1, 1985 has the privileges authorized for that class until the dealer is required to apply~~  
30 ~~for a new license, in accordance with regulations of the [Comptroller] EXECUTIVE~~  
31 ~~DIRECTOR in effect as of July 1, 1985.~~

1 ~~(k) As indicated on an exemption certificate, the certificate authorizes the holder~~  
2 ~~to acquire, in bulk and without paying the motor fuel tax:~~

3 ~~(1) special fuel other than turbine fuel; or~~

4 ~~(2) turbine fuel.~~

5 ~~9-326.~~

6 ~~(a) To obtain proper identification of a person who receives, buys, sells, or uses~~  
7 ~~motor fuel, the [Comptroller] EXECUTIVE DIRECTOR may:~~

8 ~~(1) require information necessary to assign an identification number to the~~  
9 ~~person; and~~

10 ~~(2) assign a license or other identification number to the person.~~

11 ~~(b) A person required to file a return or other document under this subtitle shall~~  
12 ~~include the identification number of the person filing and of each other person listed in the~~  
13 ~~other document.~~

14 ~~(c) A person who is to be listed in any return or other document filed by another~~  
15 ~~person under this subtitle shall give the appropriate identification number to the person~~  
16 ~~who is required to file the document.~~

17 ~~9-327.~~

18 ~~(a) To obtain an exemption under § 9-303(a), (b), or (c) of this subtitle, a dealer,~~  
19 ~~distributor, special fuel seller, special fuel user, or turbine fuel seller shall complete and~~  
20 ~~submit any certificates and reports that the [Comptroller] EXECUTIVE DIRECTOR~~  
21 ~~requires, by regulation.~~

22 ~~(b) If the holder of an exemption certificate changes the use of any special fuel~~  
23 ~~obtained under that certificate to a taxable use, the holder shall give the [Comptroller]~~  
24 ~~EXECUTIVE DIRECTOR written notice of the change within 5 days after the first change.~~

25 ~~9-328.~~

26 ~~Subject to the hearing provisions of § 9-329 of this subtitle, the [Comptroller]~~  
27 ~~EXECUTIVE DIRECTOR may deny a license or exemption certificate to any applicant, if~~  
28 ~~the applicant:~~

29 ~~(1) fraudulently or deceptively has obtained or attempts to obtain a license~~  
30 ~~or exemption certificate for the applicant or another person;~~

1           ~~(2) previously has had a license or exemption certificate canceled for cause;~~  
2 ~~or~~

3           ~~(3) in the judgment of the [Comptroller] EXECUTIVE DIRECTOR, has not~~  
4 ~~filed an application in good faith.~~

5 ~~9-329.~~

6           ~~(a) Except as otherwise provided in § 10-226 of the State Government Article,~~  
7 ~~before the [Comptroller] EXECUTIVE DIRECTOR takes any action under § 9-328 of this~~  
8 ~~subtitle, the [Comptroller] EXECUTIVE DIRECTOR shall give the person against whom~~  
9 ~~the action is contemplated an opportunity for a hearing before the [Comptroller]~~  
10 ~~EXECUTIVE DIRECTOR.~~

11           ~~(b) (1) The [Comptroller] EXECUTIVE DIRECTOR shall give notice and hold~~  
12 ~~the hearing in accordance with Title 10, Subtitle 2 of the State Government Article.~~

13           ~~(2) The notice shall be sent so that the applicant has at least 5 days' notice~~  
14 ~~before the hearing.~~

15           ~~(c) The [Comptroller] EXECUTIVE DIRECTOR may administer oaths in~~  
16 ~~connection with any proceeding under this section.~~

17 ~~9-330.~~

18           ~~Subject to § 9-331 of this subtitle, the [Comptroller] EXECUTIVE DIRECTOR may~~  
19 ~~cancel a license or exemption certificate if the licensee or certificate holder:~~

20           ~~(1) files false information under this subtitle;~~

21           ~~(2) fails to file a report required under this subtitle;~~

22           ~~(3) fails to give the [Comptroller] EXECUTIVE DIRECTOR the notice of a~~  
23 ~~change in use required under § 9-327(b) of this subtitle;~~

24           ~~(4) fails to pay any motor fuel tax, interest, or penalty due under this~~  
25 ~~subtitle;~~

26           ~~(5) violates any requirement for the class of license held;~~

27           ~~(6) violates any regulation adopted under this subtitle;~~

28           ~~(7) fails to maintain the bond required under Title 13 of this article;~~

29           ~~(8) stops engaging for more than 6 consecutive months in the business for~~  
30 ~~which licensed; or~~

1           ~~(9) fails to keep records required under this article, Title 10, Subtitle 3 of~~  
2 ~~the Business Regulation Article, or an applicable regulation.~~

3 ~~9-331.~~

4           ~~(A) If the [Comptroller] EXECUTIVE DIRECTOR cancels a license or exemption~~  
5 ~~certificate under § 9-330 of this subtitle, the [Comptroller] EXECUTIVE DIRECTOR shall~~  
6 ~~notify the licensee or certificate holder in writing sent to the last known address of the~~  
7 ~~licensee or certificate holder.~~

8           ~~(B) The notice shall be sent by certified mail, return receipt requested, under a~~  
9 ~~postmark of the United States Postal Service.~~

10 ~~9-332.~~

11           ~~(A) Any person aggrieved by a cancellation under § 9-330 of this subtitle or by a~~  
12 ~~final decision of the [Comptroller] EXECUTIVE DIRECTOR in a contested case as defined~~  
13 ~~in § 10-202 of the State Government Article may appeal to the appropriate circuit court.~~

14           ~~(B) The appeal shall be filed within 30 days after the mailing date of the final~~  
15 ~~decision or notice of cancellation.~~

16 ~~9-333.~~

17           ~~(A) A licensee may request in writing that the [Comptroller] EXECUTIVE~~  
18 ~~DIRECTOR cancel a license held by the licensee.~~

19           ~~(B) The [Comptroller] EXECUTIVE DIRECTOR shall notify the licensee in~~  
20 ~~writing of the decision on the request. If the request is granted, the cancellation takes effect~~  
21 ~~on the last day of the month in which the request is received.~~

22 ~~9-335.~~

23           ~~The [Comptroller] EXECUTIVE DIRECTOR shall surrender the bond filed by a~~  
24 ~~licensee if:~~

25           ~~(1) the license is revoked or canceled; and~~

26           ~~(2) the licensee has paid all motor fuel taxes, interest, and penalties that~~  
27 ~~are due.~~

28 ~~9-336.~~

1       ~~(a) The Motor Vehicle Administration shall send promptly to the [Comptroller]~~  
 2 ~~EXECUTIVE DIRECTOR the name and address of a person who registers a motor vehicle~~  
 3 ~~propelled by special fuel for operation on public highways.~~

4       ~~(b) The [Comptroller] EXECUTIVE DIRECTOR shall notify immediately the~~  
 5 ~~Motor Vehicle Administration if:~~

6           ~~(1) the [Comptroller] EXECUTIVE DIRECTOR cancels a license or~~  
 7 ~~exemption certificate issued under this subtitle or suspends or revokes an identification~~  
 8 ~~marker, a permit, or temporary authority issued to a motor carrier under Subtitle 2 of this~~  
 9 ~~title for failure to comply with the provisions of this subtitle or Subtitle 2 of this title; or~~

10          ~~(2) the [Comptroller] EXECUTIVE DIRECTOR knows that a licensee,~~  
 11 ~~exemption certificate holder, or motor carrier has violated the provisions of this subtitle or~~  
 12 ~~Subtitle 2 of this title.~~

13       ~~(c) On receipt of a notice under subsection (b) of this section, the Motor Vehicle~~  
 14 ~~Administration shall suspend or revoke the appropriate registration.~~

15       ~~(d) (1) If the [Comptroller] EXECUTIVE DIRECTOR is satisfied with the~~  
 16 ~~corrective action taken by the licensee or certificate holder, the [Comptroller] EXECUTIVE~~  
 17 ~~DIRECTOR may reinstate the license or exemption certificate.~~

18           ~~(2) If the license or exemption certificate is reinstated, the [Comptroller]~~  
 19 ~~EXECUTIVE DIRECTOR shall give the Motor Vehicle Administration notice of the~~  
 20 ~~reinstatement and the Motor Vehicle Administration shall reinstate the registration of the~~  
 21 ~~licensee or exemption certificate holder.~~

22 ~~9-337.~~

23       ~~(a) A person may not engage in the business of a dealer, a distributor, a special~~  
 24 ~~fuel seller, a special fuel user, or a turbine fuel seller without a license issued by the~~  
 25 ~~[Comptroller] EXECUTIVE DIRECTOR under this subtitle.~~

26       ~~(b) A dealer, distributor, special fuel seller, special fuel user, or turbine fuel seller~~  
 27 ~~may not receive motor fuel without a license issued by the [Comptroller] EXECUTIVE~~  
 28 ~~DIRECTOR under this subtitle.~~

29       ~~(c) A person may not transfer motor fuel on which motor fuel tax is due and has~~  
 30 ~~not been paid to a person who does not hold a license or exemption certificate issued by the~~  
 31 ~~[Comptroller] EXECUTIVE DIRECTOR under this subtitle.~~

32 13-203.

33       (c) Tax information may be disclosed to:

1           (1) an employee or officer of the State who, by reason of that employment  
2 or office, has the right to the tax information;

3           (2) another tax collector;

4           (3) the Maryland Tax Court;

5           (4) a legal representative of the State, to review the tax information about  
6 a taxpayer:

7                 (i) who applies for review under this title;

8                 (ii) who appeals from a determination under this title; or

9                 (iii) against whom an action to recover tax or a penalty is pending or  
10 will be initiated under this title;

11           (5) any license issuing authority of the State required by State law to verify  
12 through the Comptroller that an applicant has paid all undisputed taxes and  
13 unemployment insurance contributions payable to the Comptroller or the Secretary of  
14 Labor, Licensing, and Regulation or that the applicant has provided for payment in a  
15 manner satisfactory to the unit responsible for collection;

16           (6) a local official as defined in § 13–925 of this title to the extent necessary  
17 to administer Subtitle 9, Part V of this title;

18           (7) a federal official as defined in § 13–930 of this title to the extent  
19 necessary to administer Subtitle 9, Part VI of this title;

20           (8) the Maryland Department of Health in accordance with the federal  
21 Children’s Health Insurance Program Reauthorization Act of 2009; [and]

22           (9) the State Board of Individual Tax Preparers; AND

23           **(10) THE ALCOHOL AND TOBACCO COMMISSION.**

24           SECTION 2. AND BE IT FURTHER ENACTED, That the Alcohol and Tobacco  
25 Commission shall conduct a feasibility study for maintaining a statewide database of  
26 individuals trained in an alcohol awareness program, in which:

27           (1) an accurate statewide database of all alcoholic beverages licenses is to  
28 be annually updated; and

29           (2) a list of licenses:

30                 (i) is to be maintained for at least 3 years before being archived; but

1 (ii) is not to be destroyed.

2 SECTION 3. AND BE IT FURTHER ENACTED, That the initial terms of the  
3 members of the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission appointed under Section  
4 1 of this Act shall expire as follows:

5 (1) one member on June 30, 2021;

6 (2) one member on June 30, 2022;

7 (3) one member on June 30, 2023; and

8 (4) two members on June 30, 2024.

9 SECTION 4. AND BE IT FURTHER ENACTED, That, as provided in this Act:

10 (a) It is the intent of the General Assembly that:

11 (1) the transfer of the Field Enforcement Division and the personnel of the  
12 Division to the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission under this Act shall take  
13 effect not later than July 1, 2020;

14 (2) the transfer shall be conducted in a manner that will minimize the costs  
15 of the transfer and will result in a more cost-efficient operation for the regulation of  
16 alcoholic beverages, and tobacco, ~~and motor fuel~~ for the protection of the public health,  
17 safety, and welfare of the State.

18 (b) The Office of the Executive Director of the Alcohol, and Tobacco, ~~and Motor~~  
19 ~~Fuel~~ Commission is the successor of the Office of the Comptroller in matters concerning the  
20 regulation of alcohol, and tobacco, ~~and motor fuel~~.

21 (c) In every law, executive order, rule, regulation, policy, or document created by  
22 an official, an employee, or a unit of this State, the names and titles of those agencies and  
23 officials mean the names and titles of the successor agency or official.

24 SECTION 5. AND BE IT FURTHER ENACTED, That nothing in this Act affects the  
25 term of office of an appointed or elected member of any commission, office, department,  
26 agency, or other unit. An individual who is a member of a unit on the effective date of this  
27 Act shall remain for the balance of the term to which appointed or elected, unless the  
28 member sooner dies, resigns, or is removed under provisions of law.

29 SECTION 6. AND BE IT FURTHER ENACTED, That any transaction or  
30 employment status affected by or flowing from any change of nomenclature or any statute  
31 amended by this Act and validly entered into or existing before the effective date of this Act  
32 and every right, duty, or interest flowing from a statute amended by this Act remains valid  
33 after the effective date of this Act and may be terminated, completed, consummated, or  
34 enforced as required or allowed by any statute amended by this Act as though the



1 amendment had not occurred. If a change in nomenclature involves a change in name or  
2 designation of any State unit, the successor unit shall be considered in all respects as  
3 having the powers and obligations granted the former unit.

4 SECTION 7. AND BE IT FURTHER ENACTED, That all persons who, as of June  
5 30, 2020, are employees in budgeted positions of the Office of the Comptroller and whose  
6 positions are transferred to the Office of the Executive Director of the Alcohol, and Tobacco,  
7 ~~and Motor Fuel~~ Commission as provided by this Act are hereby transferred to the Office of  
8 the Executive Director of the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission without  
9 any change or loss of rights or status, and shall retain any merit system and retirement  
10 status they may have on the date of transfer.

11 SECTION 8. AND BE IT FURTHER ENACTED, That all findings and  
12 determinations, permits and licenses, applications for permits and licenses, rules and  
13 regulations, proposed rules and regulations, standards and guidelines, proposed standards  
14 and guidelines, orders and other directives, forms, plans, memberships, special funds,  
15 appropriations, grants, loans, applications and commitments for grants, loans, and tax  
16 credits, contracts, real and personal property, equipment, artifacts, collections,  
17 investigations, administrative and judicial proceedings, rights to sue and be sued, and all  
18 other duties and responsibilities associated with those functions transferred by this Act  
19 shall continue in effect under the Office of the Executive Director of the Alcohol, and  
20 Tobacco, ~~and Motor Fuel~~ Commission until completed, withdrawn, canceled, modified, or  
21 otherwise changed in accordance with law.

22 SECTION 9. AND BE IT FURTHER ENACTED, That:

23 (1) the continuity of every commission, office, department, agency, or other  
24 unit is retained; and

25 (2) the personnel records, files, furniture, fixtures, and other properties  
26 and all appropriations, credits, assets, liabilities, and obligations of each retained unit are  
27 continued as the personnel, records, files, furniture, fixtures, properties, appropriations,  
28 credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

29 SECTION 10. AND BE IT FURTHER ENACTED, That letterhead, business cards,  
30 and other documents reflecting the renaming of the Office of the Comptroller to be the  
31 Office of the Executive Director of the Alcohol, and Tobacco, ~~and Motor Fuel~~ Commission  
32 may not be used until all letterhead, business cards, and other documents already in print  
33 and reflecting the name of the Office before the effective date of this Act have been used.

34 SECTION 11. AND BE IT FURTHER ENACTED, That the publisher of the  
35 Annotated Code of Maryland, in consultation with and subject to the approval of the  
36 Department of Legislative Services, shall correct, with no further action required by the  
37 General Assembly, cross-references and terminology rendered incorrect by this Act. The  
38 publisher shall adequately describe any correction made in an editor's note following the  
39 section affected.

1 SECTION 12. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 2020.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.