

# HOUSE BILL 327

C2  
HB 1415/10 – ECM

11r0551

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By: **Delegates Morhaim and Barnes**  
Introduced and read first time: February 2, 2011  
Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tobacco Products – Manufacturer Certification – Filing Fee**

3 FOR the purpose of requiring certain tobacco product manufacturers to pay a certain  
4 certification filing fee of a certain amount; and generally relating to a  
5 certification filing fee for tobacco product manufacturers.

6 BY repealing and reenacting, with amendments,  
7 Article – Business Regulation  
8 Section 16–503  
9 Annotated Code of Maryland  
10 (2010 Replacement Volume and 2010 Supplement)

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

13 **Article – Business Regulation**

14 16–503.

15 (a) A tobacco product manufacturer whose cigarettes are sold in this State,  
16 whether directly or through a distributor, retailer or similar intermediary, shall:

17 **(1)** execute and deliver, on a form prescribed by the Attorney General,  
18 a certification to the Attorney General no later than the 30th day of April each year,  
19 certifying under penalty of perjury that, as of the date of the certification, the tobacco  
20 product manufacturer either:

21 **[(1)] (I)** is a participating manufacturer; or

22 **[(2)] (II)** is in full compliance with the Escrow Act; AND

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.





1 (i) the name, address and telephone number of the financial  
2 institution in which the nonparticipating manufacturer has established a qualified  
3 escrow fund required under § 16-403(a)(2) of this title (the Escrow Act) and all  
4 regulations adopted under it;

5 (ii) the account number of the qualified escrow fund and  
6 subaccount number for the State of Maryland;

7 (iii) the amount the nonparticipating manufacturer placed in the  
8 fund for cigarettes sold in the State during the preceding calendar year, the date and  
9 amount of each deposit, and any additional information the Attorney General  
10 considers necessary to confirm the information required by this subparagraph; and

11 (iv) the amount of and date of any withdrawal or transfer of  
12 funds the nonparticipating manufacturer made at any time from the fund or from any  
13 other qualified escrow fund into which the nonparticipating manufacturer made  
14 escrow payments under § 16-403(a)(2) of this title (the Escrow Act) and all regulations  
15 adopted under that section.

16 (e) (1) A tobacco product manufacturer may not include a brand family in  
17 its certification unless:

18 (i) in the case of a participating manufacturer, the  
19 participating manufacturer affirms that the brand family is deemed to be its cigarettes  
20 for purposes of calculating its payments under the Master Settlement Agreement for  
21 the relevant year, in the volume and shares determined in accordance with the Master  
22 Settlement Agreement; and

23 (ii) in the case of a nonparticipating manufacturer, the  
24 nonparticipating manufacturer affirms that the brand family is deemed to be its  
25 cigarettes for purposes of the Escrow Act.

26 (2) Nothing in this section may be construed as limiting or otherwise  
27 affecting the State's right to maintain that a brand family constitutes cigarettes of a  
28 different tobacco product manufacturer for purposes of calculating payments under the  
29 Master Settlement Agreement or for purposes of the Escrow Act.

30 (3) The tobacco product manufacturer shall maintain all invoices and  
31 documentation of sales and any other information relied upon for its certification for a  
32 period of 5 years, unless otherwise required by law to maintain them for a greater  
33 period of time.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 October 1, 2011.