



Legislative Update

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HB0003/SB0233

Business Regulation – Flavored Tobacco Products – Prohibition

House Sponsor:

Delegate Dereck E. Davis,
District 25, (D)

Chair of Economic Matters
Committee



Senate Sponsor:

Senate President Bill Ferguson,
District 46, (D)



What the bill does

- ▶ Prohibition on the sale of ALL flavored Tobacco Products within the State

Defines Flavored Tobacco Products:

- ▶ “A tobacco product that contains a taste or smell, other than that of tobacco, that is distinguishable by an ordinary consumer either before or during the consumption of the tobacco product.”
- ▶ Includes a tobacco product with a taste or smell of fruit, menthol, mint, wintergreen, chocolate, cocoa, vanilla, honey, a candy, a dessert, an alcoholic beverage, an herb, or a spice.
- ▶ Tobacco products include: cigarettes, cigars, pipe tobacco, chewing tobacco, snuff, snus, and any other tobacco product as well as electronic smoking devices

Status

- ▶ Economic Matters Committee - Hearing 2/06 at 1:00 p.m.

SB 3: Electronic Smoking Devices, Other Tobacco Products, and Cigarettes - Taxation and Regulation

Sponsor:
Senator Corey McCray
District 45, (D)



What the bill does

- ▶ Designates \$21,000,000 IN THE ANNUAL BUDGET for activities aimed at reducing tobacco use in Maryland
- ▶ Changes tax applied to tobacco products
- ▶ Creates reporting schedule for submitting taxes for electronic smoking device sales

Tax Changes

- ▶ [10.0] 20.0 cents for each cigarette in a package of more than 20 cigarettes
- ▶ THE tobacco tax rate for other tobacco products is [30%] 86% of the wholesale price of the tobacco products.
- ▶ THE TOBACCO TAX RATE FOR ELECTRONIC SMOKING DEVICES IS 86% OF THE WHOLESALE PRICE OF THE ELECTRONIC SMOKING DEVICES.
- ▶ The tobacco tax on electronic smoking devices shall be paid by the wholesaler who sells electronic smoking devices to a retailer or vape shop vendor in the state.
- ▶ A licensed electronic smoking devices retailer or a licensed vape shop vendor required to pay the tobacco tax on electronic smoking devices on which the tobacco tax has not been paid by filing a quarterly tax return

Status

- ▶ Budget and Taxation - Hearing 1/29 at 1:00 p.m.

SB 54: Electronic Smoking Devices – Added Flavoring – Prohibition on Shipping, Import, or Sale

Senator Clarence Lam
District 12, (D)



Senator Delores Kelley
District 10, (D)
Chair, Finance Committee



What the bill does

- ▶ Prohibits a person from shipping, importing, or selling into or within the State an electronic smoking device to which a certain artificial or natural flavoring is added
- ▶ Only targets flavors in Electronic Smoking Device

*Emergency Bill - shall take effect from the date it is 32 enacted

Status

- ▶ Senate Finance Committee - Hearing 2/13 at 1:00 p.m.

HB 400: Tax - General - Vaping Product Tax

Primary Sponsor

Delegate Joseline A. Pena-Melnyk
District 21, (D)



Cosponsors

- Delegate Erek Barron, 24, (D)
- Delegate Charlotte Crutchfield, 19, (D)
- Delegate Jazz Lewis, 24, (D)
- Delegate Robbyn Lewis, 46, (D)

What the bill does

- ▶ Creates a “Vaping Product Tax”
- ▶ Designates revenue for the tax to be deposited in the State Reinsurance Program
- ▶ Creates reporting standards and dates to be filed with the Comptroller
- ▶ Creates invoice and record keeping requirements for wholesale distributors and importers

State Reinsurance Program

- ▶ Housed within the Maryland Health and Benefits Exchange
- ▶ “The purpose of the State Reinsurance Program is to mitigate the premium impact of high cost enrollees on carriers that participate in the individual market.”

Vaping Product Tax

- ▶ May be imposed by a county
- ▶ Tax Rate of 30% of the wholesale price of the vaping product

Requirements

- ▶ Each return shall state for the period that the return covers the (1) quantity of electronic smoking devices sold; and (2) volume of vaping liquid sold.
- ▶ Each wholesaler distributor and wholesaler importer shall: (1) keep an invoice for each purchase of: electronic smoking devices; and vaping liquids and (2) maintain a complete and accurate record of each sale of: an electronic smoking device and vaping liquid for resale outside of the state

Status

- ▶ First Reading Ways and Means and Economic Matters, *no hearing date yet