Legislative Update

JOHN HANDLEY
LEGISLATIVE DIRECTOR
COMPTROLLER OF MARYLAND
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)
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 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 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*