

2. IN CONTINUOUS COMPLIANCE WITH THE CONDITIONS OF THE PERSON'S SECURITY POSTED UNDER THIS SUBSECTION.

(3) FOR PURPOSES OF PARAGRAPH (2) OF THIS SUBSECTION, A PERSON IS IN CONTINUOUS COMPLIANCE WITH THE TOBACCO TAX LAWS FOR A PERIOD IF THE PERSON HAS NOT, AT ANY TIME DURING THAT PERIOD:

(I) FAILED TO PAY ANY TOBACCO TAX OR ANY TOBACCO TAX ASSESSMENT WHEN DUE;

(II) FAILED TO FILE A TOBACCO TAX RETURN WHEN DUE; OR

(III) OTHERWISE VIOLATED ANY OF THE PROVISIONS OF TITLE 12 ~~OF THIS ARTICLE~~ OR TITLE 13 OF THIS ARTICLE OR ARTICLE 56, §§ 607 THROUGH 630 OF THE CODE.

(4) (I) AN EXEMPTION GRANTED UNDER PARAGRAPH (2) OF THIS SUBSECTION IS EFFECTIVE ONLY TO THE EXTENT THAT A PERSON'S POTENTIAL TOBACCO TAX LIABILITY DOES NOT EXCEED AN AMOUNT DETERMINED BY THE COMPTROLLER BASED ON THE PERSON'S EXPERIENCE DURING THE 5-YEAR COMPLIANCE PERIOD UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(II) THE COMPTROLLER MAY REVOKE AN EXEMPTION GRANTED TO A PERSON UNDER PARAGRAPH (2) OF THIS SUBSECTION IF THE PERSON AT ANY TIME FAILS TO BE IN CONTINUOUS COMPLIANCE WITH THE TOBACCO TAX LAWS, AS DESCRIBED IN PARAGRAPH (3) OF THIS SUBSECTION.

(III) THE COMPTROLLER MAY REINSTATE AN EXEMPTION REVOKED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH IF THE PERSON MEETS THE REQUIREMENTS OF PARAGRAPHS PARAGRAPH (2)(I) AND (II) OF THIS SUBSECTION FOR A PERIOD OF 2 YEARS FOLLOWING THE REVOCATION.

(5) THE COMPTROLLER MAY NOT EXEMPT A PERSON FROM POSTING A BOND OR OTHER SECURITY FOR THE TOBACCO TAX UNLESS THE COMPTROLLER DETERMINES THAT THE PERSON IS SOLVENT AND FINANCIALLY ABLE TO PAY THE PERSON'S POTENTIAL TOBACCO TAX LIABILITY.

(6) IF A CORPORATION IS GRANTED AN EXEMPTION FROM POSTING A BOND OR OTHER SECURITY FOR THE TOBACCO TAX, ANY OFFICER OF THE CORPORATION WHO EXERCISES DIRECT CONTROL OVER ITS FISCAL MANAGEMENT IS PERSONALLY LIABLE FOR ANY TOBACCO TAX, INTEREST AND PENALTIES OWED BY THE CORPORATION.

SECTION 3. AND BE IT FURTHER ENACTED, That the continuous compliance period described in Article 81, § 436(b) and (c) of the Code and § 13-825(h)(2) and (3) of the Tax - General Article