

VETOES

(2) In lieu of the bond required by this section, securities approved by the Comptroller or cash in such amount as he may prescribe may be deposited, which shall be kept in the custody of the Comptroller, who may at any time, without notice to the depositor, apply them to any tax and/or interest or penalties due, and for that purpose the securities may be sold by the Comptroller at public or private sale without notice to the depositor.

(B) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE COMPTROLLER MAY NOT REQUIRE A PERSON TO POST EXEMPT A PERSON FROM POSTING A BOND OR OTHER SECURITY FOR THE TOBACCO TAX IF THE PERSON IS AND HAS BEEN FOR THE PAST FIVE YEARS:

(1) LICENSED AS A DISTRIBUTOR UNDER §§ 445 THROUGH 448 OF THIS SUBTITLE AND AS A WHOLESALE UNDER ARTICLE 56, §§ 63 THROUGH 74 OF THE CODE; AND

(2) (I) IN CONTINUOUS COMPLIANCE WITH THE TOBACCO TAX LAWS, AS DETERMINED UNDER SUBSECTION (C) OF THIS SECTION; OR AND

(II) IN CONTINUOUS COMPLIANCE WITH THE CONDITIONS OF THE PERSON'S BOND OR OTHER SECURITY FURNISHED UNDER THIS SECTION.

(C) FOR PURPOSES OF SUBSECTION (B) OF THIS SECTION, 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:

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

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

(3) OTHERWISE VIOLATED ANY OF THE PROVISIONS OF THIS SUBTITLE OR ARTICLE 56, §§ 63 THROUGH 74 OF THE CODE.

(D) (1) AN EXEMPTION GRANTED UNDER SUBSECTION (B) OF THIS SECTION 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 SUBSECTION (B) OF THIS SECTION.

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

(3) THE COMPTROLLER MAY REINSTATE AN EXEMPTION REVOKED UNDER PARAGRAPH (2) OF THIS SUBSECTION IF THE PERSON MEETS THE REQUIREMENTS OF SUBSECTION (B)(1) AND (2) OF THIS SECTION FOR A PERIOD OF 2 YEARS FOLLOWING THE REVOCATION.