

8-403.

(a) On or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation required under this section.

(b) Except as otherwise provided in subsection (a) of this section, on or before the evaluation date for the following governmental activities or units, an evaluation shall be made of the following governmental activities or units and the statutes and regulations that relate to the governmental activities or units:

(28) Health Care Commission, Maryland ([§ 19-1502] § 19-103 of the Health - General Article: July 1, [2002] 2007);

(29) Health Services Cost Review Commission, State (§ 19-202 of the Health - General Article: July 1, [2002] 2007);

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2001.

May 17, 2001

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate  
State House  
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 327 - Tobacco Tax - Purchase of Tax Stamps.

Senate Bill 327 increases the discount rate of the purchase price of tobacco tax stamps offered by the State Comptroller to cigarette wholesalers from 0.82 percent to 1.1 percent. In addition, the bill repeals the Comptroller's authority to exempt wholesalers from bonding requirements, requiring all wholesalers to post bonds. Cigarette wholesalers purchase tobacco stamps in bulk from the Comptroller based on the inventory of cigarettes they expect to have in their warehouses. The stamps are then attached to the packs of cigarettes providing visual verification that the tax has been paid. To compensate for the expense of administering the tobacco tax through the purchase and affixing of tax stamps, wholesalers are given a discount on the price of the stamp.

In 1999, the General Assembly increased the cigarette tax by 30 cents per pack and reduced the wholesaler discount rate from 1.36 percent to .82 percent to avoid providing a windfall increase in the amount of the discount provided to purchasers of tax stamps. Senate Bill 327 is an attempt by the wholesalers to recoup a portion of this reduction, at a cost of approximately \$500,000 to the taxpayers of Maryland.

It is my opinion, and the opinion of many health advocates who opposed this legislation, that the discount rate is sufficient at .82 percent. In the event that there