

distributors do not need a license to deliver or directly sell unstamped tobacco products to Maryland wholesalers, I am concerned that these entities cannot be held accountable under this new regulatory framework.

My second concern is that it is unclear what impact House Bill 1001 will have on the retail price of imported cigarettes in Maryland. This legislation could have the undesirable effect of lowering the cost of cigarettes at the retail level, a result that is entirely inconsistent with Maryland's effort to reduce the consumption of cigarettes, particularly by teenagers. For the past several years, through our tax policy and our nationally recognized use of our share of the national tobacco settlement, Maryland has taken steps to reduce tobacco consumption through increased prices, education, enforcement and treatment. Reversing this policy by potentially reducing the price of cigarettes would be unwise and unwarranted.

For the above reasons, I have vetoed House Bill 1001.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 1001

AN ACT concerning

Cigarette Business Licensing Law - Cigarette Nonresident Dealers

FOR the purpose of defining "cigarette nonresident dealer" for the cigarette business licensing law; substituting the term "cigarette nonresident dealer" for the term "manufacturer"; requiring a person who acts as a cigarette nonresident dealer in the State to have a certain license; exempting certain persons from obtaining a cigarette nonresident dealer license under certain circumstances; prohibiting a licensed cigarette nonresident dealer from having certain interests in a wholesaler; prohibiting a licensed wholesaler from having certain interests in a cigarette nonresident dealer; prohibiting the issuance of a wholesaler license to certain persons; requiring an applicant for a cigarette nonresident dealer license to maintain an established place of business for the sale of cigarettes; authorizing a cigarette nonresident dealer licensee to sell certain cigarettes to certain wholesalers under certain circumstances; and generally relating to cigarette nonresident dealers under the cigarette business licensing law.

BY repealing and reenacting, with amendments,

Article - Business Regulation

Section 16-201, 16-202, 16-203(a), 16-204(a), 16-205(a), 16-206(a), (c), and (f),
16-210(a), and 16-214

Annotated Code of Maryland

(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Commercial Law