

HOUSE BILL 523

C2

(7lr1286)

ENROLLED BILL

— Economic Matters/Finance —

Introduced by **Delegates Jameson, Barron, Chang, Frick, Frush, Healey, Hixson, Jalisi, Kelly, Kramer, Krimm, Lafferty, Lam, Luedtke, Morales, Morhaim, Patterson, Rosenberg, Sanchez, Sophocleus, Stein, Valderrama, Valentino-Smith, ~~and Waldstreicher~~ Waldstreicher, Aumann, Barkley, Brooks, Fennell, Glenn, Lisanti, and C. Wilson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Electronic Nicotine Delivery Systems and Vaping Liquid – Licensing**

3 FOR the purpose of requiring a person to have an appropriate license whenever the person
4 acts in the State as an electronic nicotine delivery systems manufacturer, retailer,
5 ~~storage warehouse~~, vape shop vendor, ~~or~~ wholesaler distributor, or wholesaler
6 importer; providing for a certain exception for certain retailers and wholesalers;
7 requiring a license to act as an electronic nicotine delivery system retailer or vape
8 shop vendor for each place of business of the retailer or vape shop vendor; making
9 holders of electronic nicotine delivery systems licenses subject to certain restrictions
10 and requirements; providing for certain application procedures and fees; requiring
11 the display of a license in a certain manner; prohibiting a person from reapplying for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



a license within a certain period after the person's license was revoked; requiring ~~the~~
~~Comptroller certain clerks of the circuit court~~ *the Comptroller* to issue electronic
 nicotine delivery systems licenses to manufacturers, ~~storage warehouses, and~~
~~wholesalers~~ *wholesaler distributors, and wholesaler importers* in the State under
 certain circumstances; requiring certain clerks of the circuit court to issue electronic
 nicotine delivery systems products licenses to retailers and vape shop vendors under
 certain circumstances; ~~requiring certain clerks of the circuit court to forward certain~~
~~applications to the Comptroller within a certain time; specifying the scope of the~~
~~licenses; providing for the renewal of a license; authorizing the Comptroller to~~
~~delegate certain powers and duties; providing for certain disciplinary actions and~~
~~proceedings; authorizing the Comptroller to adopt certain regulations; granting~~
~~certain rights to judicial review under certain circumstances; prohibiting~~ *authorizing*
~~the Comptroller to delegate certain powers and duties; exempting certain persons from~~
~~obtaining certain licenses under certain conditions; providing for certain disciplinary~~
~~actions and proceedings; authorizing the Comptroller to adopt certain regulations;~~
~~granting certain rights to judicial review under certain circumstances; prohibiting~~ a
 person from acting, attempting to act, or offering to act in the State as an electronic
 nicotine delivery systems manufacturer, retailer, ~~storage warehouse,~~ vape shop
 vendor, ~~or wholesaler distributor, or wholesaler importer~~ unless the person has an
 appropriate license; *requiring the Comptroller to pay certain fees into the General*
Fund of the State; stating the intent of the General Assembly; requiring a person who
transports electronic nicotine delivery systems by vehicle on a public road to have
certain information; authorizing the Comptroller by regulation to require a common
carrier that brings electronic nicotine delivery systems products into the State to
submit certain information; requiring the Comptroller to pay certain fees into the
~~General Fund of the State; stating the intent of the General Assembly; requiring a~~
~~person who transports electronic nicotine delivery systems by vehicle on a public~~
~~road to have certain information; authorizing the Comptroller by regulation to~~
~~require a common carrier that brings electronic nicotine delivery systems products~~
~~into the State to submit certain information; prohibiting a person from shipping,~~
~~importing, or selling electronic nicotine delivery systems into or within the State~~
~~except under certain circumstances; requiring a person that ships, imports, or sells~~
~~electronic nicotine delivery systems to take certain actions; placing certain~~
 restrictions on the sale, storage, and distribution of electronic nicotine delivery
 systems; establishing certain penalties; prohibiting the sale, distribution, or offer for
 sale of electronic nicotine delivery systems to minors; defining certain terms; and
 generally relating to licenses for electronic nicotine distribution systems
 manufacturers, retailers, ~~storage warehouses,~~ vape shop vendors, ~~and wholesalers~~
~~wholesaler distributors, and wholesaler importers~~ in the State.

BY adding to

Article – Business Regulation

Section 16.7–101 through ~~16.7–218~~ *16.7–214* to be under the new title “Title 16.7.

Electronic Nicotine Delivery Systems Licenses”

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 24–305(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Business Regulation

TITLE 16.7. ELECTRONIC NICOTINE DELIVERY SYSTEMS LICENSES.

SUBTITLE 1. DEFINITIONS; ~~GENERAL PROVISIONS~~; GENERAL PROVISIONS.

16.7–101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.

(B) “COUNTY LICENSE” MEANS A LICENSE ISSUED BY THE CLERK TO SELL
ELECTRONIC NICOTINE DELIVERY SYSTEMS TO CONSUMERS IN A COUNTY.

(C) (1) “ELECTRONIC NICOTINE DELIVERY SYSTEM” MEANS AN
ELECTRONIC DEVICE, A COMPONENT FOR AN ELECTRONIC DEVICE, OR A PRODUCT
USED TO REFILL OR RESUPPLY AN ELECTRONIC DEVICE THAT CAN BE USED TO
DELIVER NICOTINE TO AN INDIVIDUAL INHALING FROM THE DEVICE.

(2) “ELECTRONIC NICOTINE DELIVERY SYSTEM” INCLUDES AN
ELECTRONIC CIGARETTE, AN ELECTRONIC CIGAR, AN ELECTRONIC CIGARILLO, ~~OR~~
AN ELECTRONIC PIPE, AND VAPING LIQUID.

(3) “ELECTRONIC NICOTINE DELIVERY SYSTEM” DOES NOT INCLUDE:

(I) A NICOTINE DEVICE THAT CONTAINS OR DELIVERS
NICOTINE INTENDED FOR HUMAN CONSUMPTION IF THE DEVICE HAS BEEN
APPROVED BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION FOR SALE
AS A TOBACCO CESSATION PRODUCT AND IS BEING MARKETING AND SOLD SOLELY
FOR THAT PURPOSE;

(II) CANNABIS OIL OR ANY OTHER UNLAWFUL SUBSTANCE; OR

(III) AN ELECTRONIC DEVICE THAT IS BEING USED TO DELIVER
CANNABIS OIL OR ANOTHER UNLAWFUL SUBSTANCE.

(D) "ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER" MEANS A PERSON THAT:

(1) MANUFACTURES, MIXES, OR OTHERWISE PRODUCES ELECTRONIC NICOTINE DELIVERY SYSTEMS INTENDED FOR SALE IN THE STATE, INCLUDING ELECTRONIC NICOTINE DELIVERY SYSTEMS INTENDED FOR SALE IN THE UNITED STATES THROUGH AN IMPORTER; AND

(2) (I) SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS TO A CONSUMER, IF THE CONSUMER PURCHASES OR ORDERS THE SYSTEMS THROUGH THE MAIL, A COMPUTER NETWORK, A TELEPHONIC NETWORK, OR ANOTHER ELECTRONIC NETWORK, A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR, OR A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER IN THE STATE; ~~OR~~

~~(II) SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS THAT MAY BE LAWFULLY SOLD IN THE STATE TO A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER LOCATED OUTSIDE THE STATE;~~

~~(III) UNLESS OTHERWISE PROHIBITED OR RESTRICTED UNDER LOCAL LAW, THIS ARTICLE, OR THE CRIMINAL LAW ARTICLE, DISTRIBUTES SAMPLE ELECTRONIC NICOTINE DELIVERY SYSTEMS TO CONSUMERS LOCATED IN THE STATE; OR~~

~~(IV) STORES ELECTRONIC NICOTINE DELIVERY SYSTEMS IN A STORAGE WAREHOUSE IN THE STATE FOR SUBSEQUENT SHIPMENT TO LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALERS, FEDERAL RESERVATIONS, OR PERSONS OUTSIDE THE STATE; OR~~

~~(V) (II)~~ IF THE ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER ALSO HOLDS A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER OR A VAPE SHOP VENDOR, SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS TO CONSUMERS LOCATED IN THE STATE; OR

(III) UNLESS OTHERWISE PROHIBITED OR RESTRICTED UNDER LOCAL LAW, THIS ARTICLE, OR THE CRIMINAL LAW ARTICLE, DISTRIBUTES SAMPLE ELECTRONIC NICOTINE DELIVERY SYSTEMS TO A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER OR VAPE SHOP VENDOR.

(E) "ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER" MEANS A PERSON THAT:

(1) SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS TO

1 CONSUMERS; ~~OR~~

2 (2) HOLDS ELECTRONIC NICOTINE DELIVERY SYSTEMS FOR SALE TO
3 CONSUMERS; OR

4 (3) UNLESS OTHERWISE PROHIBITED OR RESTRICTED UNDER LOCAL
5 LAW, THIS ARTICLE, THE CRIMINAL LAW ARTICLE, OR § 24-305 OF THE HEALTH –
6 GENERAL ARTICLE, DISTRIBUTES SAMPLE ELECTRONIC NICOTINE DELIVERY
7 SYSTEMS TO CONSUMERS IN THE STATE.

8 ~~(F) “ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE”~~
9 ~~MEANS A STORAGE FACILITY IN THE STATE OPERATED FOR THE PURPOSE OF~~
10 ~~STORING ELECTRONIC NICOTINE DELIVERY SYSTEMS ON BEHALF OF AN~~
11 ~~ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER.~~

12 ~~(G)~~ (F) “ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER
13 DISTRIBUTOR” MEANS A PERSON THAT:

14 (1) OBTAINS AT LEAST 70% OF ITS ELECTRONIC NICOTINE DELIVERY
15 SYSTEMS FROM A HOLDER OF AN ELECTRONIC NICOTINE DELIVERY SYSTEMS
16 MANUFACTURER LICENSE UNDER THIS SUBTITLE OR A BUSINESS ENTITY LOCATED
17 IN THE UNITED STATES; AND

18 (2) (I) HOLDS ELECTRONIC NICOTINE DELIVERY SYSTEMS FOR
19 SALE TO ANOTHER PERSON FOR RESALE; OR

20 ~~(2)~~ (II) SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS TO
21 ANOTHER PERSON FOR RESALE.

22 ~~(H)~~ (G) “ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER
23 IMPORTER” MEANS A PERSON THAT:

24 (1) OBTAINS AT LEAST 70% OF ITS ELECTRONIC NICOTINE DELIVERY
25 SYSTEMS FROM A BUSINESS ENTITY LOCATED IN A FOREIGN COUNTRY; AND

26 (2) (I) HOLDS ELECTRONIC NICOTINE DELIVERY SYSTEMS FOR
27 SALE TO ANOTHER PERSON FOR RESALE; OR

28 (II) SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS TO
29 ANOTHER PERSON FOR RESALE.

30 ~~(H)~~ (H) “LICENSE” MEANS:

31 ~~(I)~~ (I) A LICENSE ISSUED BY THE ~~COMPTROLLER~~ CLERK

COMPTROLLER UNDER ~~§ 16.7-204(A)~~ ~~16.7-204~~ ~~16.7-203~~ 16.7-203(A) OF THIS TITLE
TO:

~~(I)~~ ~~(1)~~ (I) ACT AS A LICENSED ELECTRONIC NICOTINE DELIVERY
SYSTEMS MANUFACTURER;

~~(II)~~ ~~(2)~~ (II) ACT AS A LICENSED ELECTRONIC NICOTINE DELIVERY
SYSTEMS WHOLESALE DISTRIBUTOR; ~~OR~~ OR

~~(3)~~ (III) ACT AS A LICENSED ELECTRONIC NICOTINE DELIVERY
SYSTEMS WHOLESALE IMPORTER; OR

~~(III)~~ ~~(4)~~ ~~(2)~~ ~~ACT AS A LICENSED ELECTRONIC NICOTINE DELIVERY~~
~~SYSTEMS STORAGE WAREHOUSE; OR~~

~~(2)~~ ~~(5)~~ ~~A LICENSE ISSUED BY THE CLERK UNDER § 16.7-204(B) OF~~
~~THIS TITLE TO~~ A LICENSE ISSUED BY THE CLERK UNDER § 16.7-203(B) OF THIS TITLE
TO:

(I) ACT AS ~~AN~~ A LICENSED ELECTRONIC NICOTINE DELIVERY
SYSTEMS RETAILER; ~~OR A~~

~~(6)~~ ~~(5)~~ (II) ACT AS A LICENSED VAPE SHOP VENDOR.

~~(I)~~ ~~(J)~~ (I) “SELL” MEANS TO EXCHANGE OR TRANSFER, OR TO AGREE TO
EXCHANGE OR TRANSFER, TITLE OR POSSESSION OF PROPERTY, IN ANY MANNER OR
BY ANY MEANS, FOR CONSIDERATION.

~~(J)~~ ~~(K)~~ (J) “VAPE SHOP VENDOR” MEANS AN ELECTRONIC NICOTINE
DELIVERY SYSTEMS BUSINESS THAT DERIVES AT LEAST 70% OF ITS REVENUES,
MEASURED BY AVERAGE DAILY RECEIPTS, FROM THE SALE OF ELECTRONIC
NICOTINE DELIVERY SYSTEMS AND RELATED ACCESSORIES.

~~(I)~~ (K) “VAPING LIQUID” MEANS A LIQUID THAT:

(1) CONSISTS OF ~~PROPYLENE~~ PROPYLENE GLYCOL, VEGETABLE
GLYCERIN, OR OTHER SIMILAR SUBSTANCE;

(2) ~~CONTAINS~~ MAY OR MAY NOT CONTAIN NATURAL OR ARTIFICIAL
FLAVORS;

(3) MAY OR MAY NOT CONTAIN NICOTINE; AND

(4) CONVERTS TO VAPOR INTENDED FOR INHALATION WHEN HEATED

1 IN AN ELECTRONIC DEVICE.

2 16.7-102.

3 (A) THE COMPTROLLER MAY DELEGATE ANY POWER OR DUTY OF THE
4 COMPTROLLER UNDER THIS TITLE.

5 (B) ANY PERSON LICENSED UNDER TITLE 16 OR TITLE 16.5 OF THIS
6 ARTICLE, OR AN AFFILIATE, AS DEFINED UNDER § 16-402(C) OF THIS ARTICLE, OF A
7 PERSON LICENSED UNDER TITLE 16 OF THIS ARTICLE:

8 (1) IS AUTHORIZED TO MANUFACTURE, DISTRIBUTE, OR SELL
9 ELECTRONIC NICOTINE DELIVERY SYSTEMS PURSUANT TO THIS TITLE IN THE SAME
10 CAPACITY AS THE PERSON IS LICENSED UNDER TITLE 16 OR TITLE 16.5 OF THIS
11 ARTICLE; AND

12 (2) MAY NOT BE REQUIRED TO OBTAIN AN ADDITIONAL LICENSE
13 UNDER THIS TITLE.

14 ~~16.7-102.~~

15 ~~THE COMPTROLLER MAY DELEGATE ANY POWER OR DUTY OF THE~~
16 ~~COMPTROLLER UNDER THIS TITLE.~~

17 SUBTITLE 2. ELECTRONIC NICOTINE DELIVERY SYSTEMS LICENSES.

18 16.7-201.

19 (A) A PERSON MUST HOLD AN APPROPRIATE LICENSE BEFORE THE PERSON
20 MAY ACT AS:

21 (1) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER;

22 (2) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER;

23 (3) ~~AN ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE~~
24 ~~WAREHOUSE;~~

25 ~~(4) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER;~~
26 WHOLESALER DISTRIBUTOR;

27 ~~(5) (4) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS~~
28 WHOLESALER IMPORTER IMPORTER; OR

~~(5) (6) (5)~~ A VAPE SHOP VENDOR.

(B) A PLACE OF BUSINESS IN WHICH A PERSON ACTS AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER OR A VAPE SHOP VENDOR MUST HOLD AN APPROPRIATE LICENSE.

~~16.7-202.~~

~~(A) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER SHALL MAINTAIN IN THE STATE AN ESTABLISHED PLACE OF BUSINESS FOR THE MANUFACTURE AND STORAGE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS.~~

~~(B) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE SHALL MAINTAIN AN ESTABLISHED PLACE OF BUSINESS FOR STORAGE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS.~~

~~(C) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER SHALL MAINTAIN AN ESTABLISHED PLACE OF BUSINESS, INCLUDING WAREHOUSE FACILITIES, FOR THE SALE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS.~~

~~16.7-203.~~ 16.7-202.

(A) (1) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER, ~~ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE,~~ ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR, OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER SHALL:

~~(1)~~ (I) ~~SUBMIT~~ OBTAIN AN APPROPRIATE COUNTY LICENSE BY SUBMITTING AN APPLICATION TO THE ~~COMPTROLLER CLERK~~ COMPTROLLER ON THE FORM AND CONTAINING THE INFORMATION THAT THE ~~COMPTROLLER CLERK~~ COMPTROLLER REQUIRES; ~~AND~~

(II) INDICATE THE LICENSES FOR WHICH THE APPLICANT IS APPLYING; AND

~~(2)~~ (III) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, PAY TO THE ~~COMPTROLLER CLERK~~ COMPTROLLER A FEE OF \$25 FOR EACH LICENSE FOR WHICH THE APPLICANT APPLIES.

(2) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC

1 NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC
2 NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER SHALL PAY TO THE ~~CLERK~~
3 COMPTROLLER A FEE OF \$150.

4 ~~(3) A PERSON THAT IS ISSUED A LICENSE UNDER TITLE 16 OR TITLE~~
5 ~~16.5 OF THIS ARTICLE TO ACT AS A CIGARETTE WHOLESALER OR OTHER TOBACCO~~
6 ~~PRODUCTS WHOLESALER OR TO ACT AS A CIGARETTE SUBWHOLESALER OR OTHER~~
7 ~~TOBACCO PRODUCTS SUBWHOLESALER IS NOT REQUIRED TO PAY THE LICENSE FEE~~
8 ~~FOR AN ELECTRONIC DELIVERY SYSTEM WHOLESALER DISTRIBUTOR OR AN~~
9 ~~ELECTRONIC NICOTINE DELIVERY SYSTEM WHOLESALER IMPORTER.~~

10 (B) (1) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC
11 NICOTINE DELIVERY SYSTEMS RETAILER OR A VAPE SHOP VENDOR:

12 (I) SHALL OBTAIN A COUNTY LICENSE BY SUBMITTING TO THE
13 CLERK AN APPLICATION FOR EACH PERMANENT OR TEMPORARY PLACE OF
14 BUSINESS LOCATED IN THE SAME ENCLOSURE AND OPERATED BY THE SAME
15 APPLICANT; AND

16 (II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
17 SUBSECTION, SHALL PAY TO THE CLERK A FEE OF \$25.

18 (2) ~~A PERSON THAT HAS A LICENSE ISSUED UNDER TITLE 16 OR~~
19 ~~TITLE 16.5 OF THIS ARTICLE TO ACT AS A CIGARETTE RETAILER OR OTHER TOBACCO~~
20 ~~PRODUCTS RETAILER IS NOT REQUIRED TO PAY THE LICENSE FEE.~~

21 ~~(3)~~ THE APPLICATION SHALL:

22 (I) BE MADE ON THE FORM THAT THE CLERK REQUIRES; AND

23 (II) CONTAIN THE INFORMATION THAT THE ~~COMPTROLLER~~
24 ~~CLERK~~ COMPTROLLER REQUIRES.

25 ~~(C) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC NICOTINE~~
26 ~~DELIVERY SYSTEMS STORAGE WAREHOUSE SHALL:~~

27 ~~(1) SUBMIT AN APPLICATION TO THE COMPTROLLER ON THE FORM~~
28 ~~AND CONTAINING THE INFORMATION THAT THE COMPTROLLER REQUIRES; AND~~

29 ~~(2) PAY TO THE COMPTROLLER A FEE OF \$25.~~

30 ~~(D) (1) AN APPLICANT FOR A LICENSE TO ACT AS AN ELECTRONIC~~
31 ~~NICOTINE DELIVERY SYSTEMS WHOLESALER SHALL:~~

~~(H) SUBMIT AN APPLICATION TO THE COMPTROLLER ON THE FORM AND CONTAINING THE INFORMATION THAT THE COMPTROLLER REQUIRES; AND~~

~~(H) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, PAY TO THE COMPTROLLER A FEE OF \$250.~~

~~(2) A PERSON THAT HAS A LICENSE ISSUED UNDER TITLE 16 OR TITLE 16.5 OF THIS ARTICLE TO ACT AS A CIGARETTE WHOLESALER OR OTHER TOBACCO PRODUCTS WHOLESALER OR TO ACT AS A CIGARETTE SUBWHOLESALER OR OTHER TOBACCO PRODUCTS SUBWHOLESALER IS NOT REQUIRED TO PAY THE LICENSE FEE.~~

~~(E)~~ (C) A LICENSEE SHALL DISPLAY A LICENSE IN THE WAY THAT THE COMPTROLLER REQUIRES BY REGULATION.

~~(F)~~ (D) IF A PERSON HAS HAD A LICENSE REVOKED UNDER ~~§ 16.7-208~~ § 16.7-207 OF THIS SUBTITLE, THE PERSON MAY NOT REAPPLY FOR A LICENSE WITHIN 1 YEAR AFTER THE DATE WHEN THE PRIOR LICENSE WAS REVOKED.

~~16.7-204.~~ 16.7-203.

(A) THE ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL ISSUE AN APPROPRIATE LICENSE TO EACH APPLICANT THAT MEETS THE REQUIREMENTS OF THIS SUBTITLE FOR A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER, ~~ELECTRONIC NICOTINE DELIVERY SYSTEMS WAREHOUSE,~~ OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR, OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER.

(B) THE CLERK SHALL ISSUE TO EACH APPLICANT THAT MEETS THE REQUIREMENTS OF THIS SUBTITLE A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER OR A VAPE SHOP VENDOR.

(C) THE CLERK SHALL FORWARD A COPY OF AN APPLICATION RECEIVED FOR EACH LICENSE ISSUED UNDER SUBSECTION (B) OF THIS SECTION TO THE COMPTROLLER WITHIN 30 DAYS OF ISSUANCE OF THE LICENSE.

~~16.7-205.~~ 16.7-204.

(A) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER LICENSE AUTHORIZES THE LICENSEE TO:

(1) SELL ELECTRONIC NICOTINE DELIVERY SYSTEMS TO:

(I) A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS
WHOLESALE LOCATED IN THE STATE;

(II) ~~A LICENSED~~ AN ELECTRONIC NICOTINE DELIVERY SYSTEMS
WHOLESALE OR RETAILER LOCATED OUTSIDE THE STATE IF THE ELECTRONIC
NICOTINE DELIVERY SYSTEMS MAY BE SOLD LAWFULLY IN MARYLAND; ~~AND~~

(III) A LICENSED VAPE SHOP VENDOR; AND

(IV) A CONSUMER IF:

1. THE LICENSEE MANUFACTURED THE SYSTEMS; AND

2. THE CONSUMER PURCHASES OR ORDERS THE
SYSTEMS THROUGH THE MAIL, A COMPUTER NETWORK, A TELEPHONIC NETWORK, OR
ANOTHER ELECTRONIC NETWORK; AND

~~(2) EXCEPT AS OTHERWISE PROHIBITED OR RESTRICTED UNDER
LOCAL LAW, THIS ARTICLE, OR THE CRIMINAL LAW ARTICLE, DISTRIBUTE SAMPLE
ELECTRONIC NICOTINE DELIVERY SYSTEMS PRODUCTS TO CONSUMERS LOCATED IN
THE STATE;~~

~~(3) STORE ELECTRONIC NICOTINE DELIVERY SYSTEMS IN A LICENSED
ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE FOR
SUBSEQUENT SHIPMENT TO LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS
WHOLESALE, FEDERAL RESERVATIONS, OR PERSONS OUT OF STATE; AND~~

~~(4)~~ (2) IF THE ELECTRONIC NICOTINE DELIVERY SYSTEMS
MANUFACTURER LICENSEE ALSO HOLDS A LICENSE TO ACT AS AN ELECTRONIC
NICOTINE DELIVERY SYSTEMS RETAILER OR A VAPE SHOP VENDOR, TRANSFER
ELECTRONIC NICOTINE DELIVERY SYSTEMS TO INVENTORY FOR SALE UNDER THE
RETAIL LICENSE OR VAPE SHOP LICENSE; AND

(3) EXCEPT AS OTHERWISE PROHIBITED OR RESTRICTED UNDER
LOCAL LAW, THIS ARTICLE, OR THE CRIMINAL LAW ARTICLE, DISTRIBUTE
ELECTRONIC NICOTINE DELIVERY SYSTEMS PRODUCTS TO A LICENSED ELECTRONIC
NICOTINE DELIVERY SYSTEMS RETAILER OR VAPE SHOP VENDOR; ~~AND~~

~~(5) ON APPROVAL OF THE COMPTROLLER, ACT AS AN AGENT OF A
STATE LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALE FOR
DISTRIBUTION OF ELECTRONIC NICOTINE DELIVERY SYSTEMS.~~

(B) (1) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER

LICENSE AUTHORIZES THE LICENSEE TO:

~~(1)~~ (I) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, SELL ELECTRONIC NICOTINE DELIVERY SYSTEMS TO CONSUMERS; AND

~~(2)~~ (II) BUY ELECTRONIC NICOTINE DELIVERY SYSTEMS FROM AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER; AND

~~(3)~~ (III) IF THE ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER LICENSEE ALSO HOLDS A LICENSE TO ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER, SELL AT RETAIL ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURED UNDER THE MANUFACTURER LICENSE; AND

~~(4)~~ (IV) EXCEPT AS OTHERWISE PROHIBITED OR RESTRICTED UNDER LOCAL LAW, THIS ARTICLE, THE CRIMINAL LAW ARTICLE, OR § 24-305 OF THE HEALTH - GENERAL ARTICLE, DISTRIBUTE SAMPLE ELECTRONIC NICOTINE DELIVERY SYSTEMS PRODUCTS TO CONSUMERS IN THE STATE.

(2) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER LICENSE DOES NOT AUTHORIZE THE LICENSEE TO SHIP, SELL, OR CAUSE TO BE SHIPPED TO A CONSUMER WHO PURCHASES OR ORDERS AN ELECTRONIC NICOTINE DELIVERY SYSTEM THROUGH THE MAIL, A COMPUTER NETWORK, A TELEPHONIC NETWORK, OR ANOTHER ELECTRONIC NETWORK.

~~(C) (1) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WAREHOUSE STORAGE LICENSE AUTHORIZES THE LICENSEE TO OPERATE A STORAGE FACILITY FOR THE PURPOSE OF STORING ELECTRONIC NICOTINE DELIVERY SYSTEMS ON BEHALF OF A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER.~~

~~(2) IF AN ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE LICENSEE IS A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER, THE ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE LICENSE AUTHORIZES THE HOLDER TO STORE ELECTRONIC NICOTINE DELIVERY SYSTEMS.~~

~~(D)~~ (C) AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR LICENSE OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER LICENSE AUTHORIZES THE LICENSEE TO:

(1) SELL ELECTRONIC NICOTINE DELIVERY SYSTEMS TO ELECTRONIC

1 NICOTINE DELIVERY SYSTEMS RETAILERS;

2 (2) BUY ELECTRONIC NICOTINE DELIVERY SYSTEMS DIRECTLY FROM
3 AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER AND AN
4 ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR
5 ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER;

6 (3) HOLD ELECTRONIC NICOTINE DELIVERY SYSTEMS;

7 (4) ~~TRANSPORT ELECTRONIC NICOTINE DELIVERY SYSTEMS IN THE~~
8 ~~STATE~~;

9 ~~(5)~~ SELL ELECTRONIC NICOTINE DELIVERY SYSTEMS TO ANOTHER
10 LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR
11 OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER ~~IF THE~~
12 ~~COMPTROLLER SPECIFICALLY AUTHORIZES THE SALE~~; AND

13 ~~(6)~~ (5) STORE ELECTRONIC NICOTINE DELIVERY SYSTEMS AT A
14 LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS STORAGE WAREHOUSE.

15 ~~(E)~~ (D) A VAPE SHOP VENDOR LICENSE AUTHORIZES THE LICENSEE TO:

16 (1) SELL ELECTRONIC NICOTINE DELIVERY SYSTEMS AS A VAPE SHOP
17 VENDOR; ~~AND~~

18 (2) IF THE VAPE SHOP VENDOR LICENSEE ALSO HOLDS A LICENSE TO
19 ACT AS AN ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER, SELL AT
20 RETAIL ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURED UNDER THE
21 MANUFACTURER LICENSE; AND

22 (3) BUY ELECTRONIC NICOTINE DELIVERY SYSTEMS FROM AN
23 ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER.

24 ~~16.7-206.~~ 16.7-205.

25 (A) UNLESS A LICENSE IS RENEWED FOR A 1-YEAR TERM AS PROVIDED IN
26 THIS SECTION, THE LICENSE EXPIRES ON THE DATE SET BY THE ISSUING OFFICIAL.

27 (B) AT LEAST 1 MONTH BEFORE A LICENSE ISSUED UNDER THIS SUBTITLE
28 EXPIRES, THE ISSUING OFFICIAL SHALL SEND TO THE LICENSEE A RENEWAL NOTICE
29 THAT STATES THE DATE ON WHICH THE CURRENT LICENSE EXPIRES.

30 (C) BEFORE A LICENSE ISSUED UNDER THIS SUBTITLE EXPIRES, THE
31 LICENSEE MAY RENEW THE LICENSE FOR AN ADDITIONAL 1-YEAR TERM, IF THE

1 LICENSEE:

2 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

3 (2) SUBMITS TO THE ISSUING OFFICIAL A RENEWAL APPLICATION ON
4 THE FORM THAT THE ISSUING OFFICIAL REQUIRES; AND

5 (3) PAYS TO THE ISSUING OFFICIAL THE LICENSE FEE REQUIRED
6 UNDER § 16.7-203 OF THIS SUBTITLE.

7 (D) THE ISSUING OFFICIAL SHALL RENEW THE LICENSE OF EACH LICENSEE
8 THAT MEETS THE REQUIREMENTS OF THIS SECTION.

9 ~~16.7-207~~, 16.7-206.

10 (A) (1) A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS
11 RETAILER OR A LICENSED VAPE SHOP VENDOR MAY NOT ASSIGN THE LICENSE.

12 (2) IF A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS
13 WHOLESALE DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS
14 WHOLESALE IMPORTER SELLS THE LICENSEE'S ELECTRONIC NICOTINE DELIVERY
15 SYSTEMS BUSINESS AND PAYS TO THE ~~COMPTROLLER CLERK~~ COMPTROLLER A
16 LICENSE ASSIGNMENT FEE OF \$10, THE LICENSEE MAY ASSIGN THE LICENSE TO THE
17 BUYER OF THE BUSINESS IF THE BUYER OTHERWISE QUALIFIES UNDER THIS TITLE
18 FOR AN ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALE DISTRIBUTOR
19 OR IMPORTER LICENSE.

20 (B) IF THE ELECTRONIC NICOTINE DELIVERY SYSTEMS BUSINESS OF A
21 LICENSEE IS TRANSFERRED BECAUSE OF BANKRUPTCY, DEATH, INCOMPETENCY,
22 RECEIVERSHIP, OR OTHERWISE BY OPERATION OF LAW, THE ~~COMPTROLLER CLERK~~
23 COMPTROLLER SHALL TRANSFER THE LICENSE WITHOUT CHARGE TO THE NEW
24 OWNER OF THE LICENSEE'S BUSINESS IF THE TRANSFEREE OTHERWISE QUALIFIES
25 UNDER THIS TITLE FOR THE LICENSE BEING TRANSFERRED.

26 (C) (1) IF A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS
27 WHOLESALE DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS
28 WHOLESALE IMPORTER SURRENDERS THE LICENSE TO THE ~~COMPTROLLER CLERK~~
29 COMPTROLLER AND IF NO DISCIPLINARY PROCEEDINGS ARE PENDING AGAINST THE
30 LICENSEE, THE ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL REFUND A PRO RATA
31 PORTION OF THE LICENSE FEE FOR THE UNEXPIRED TERM OF THE LICENSE.

32 (2) A LICENSED ELECTRONIC NICOTINE DELIVERY SYSTEMS
33 RETAILER OR A LICENSED VAPE SHOP VENDOR IS NOT ALLOWED A REFUND FOR THE
34 UNEXPIRED TERM OF THE LICENSE.

1 ~~16.7-208.~~ 16.7-207.

2 (A) SUBJECT TO THE HEARING PROVISIONS OF ~~§ 16.7-209~~ § 16.7-208 OF
3 THIS SUBTITLE, THE ~~COMPTROLLER CLERK~~ COMPTROLLER MAY DENY A LICENSE
4 TO AN APPLICANT, REPRIMAND A LICENSEE, OR SUSPEND OR REVOKE A LICENSE IF
5 THE APPLICANT OR LICENSEE:

6 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
7 OBTAIN A LICENSE FOR THE APPLICANT, LICENSEE, OR ANOTHER PERSON;

8 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

9 (3) BUYS ELECTRONIC NICOTINE DELIVERY SYSTEMS FOR RESALE:

10 (I) IN VIOLATION OF A LICENSE; OR

11 (II) FROM A PERSON THAT IS NOT A LICENSED ELECTRONIC
12 NICOTINE DELIVERY SYSTEMS MANUFACTURER OR A LICENSED ELECTRONIC
13 NICOTINE DELIVERY SYSTEMS WHOLESALE;

14 (4) IS CONVICTED, UNDER THE LAWS OF THE UNITED STATES OR OF
15 ANY OTHER STATE, OF:

16 (I) A FELONY; OR

17 (II) A MISDEMEANOR THAT IS A CRIME OF MORAL TURPITUDE
18 AND IS DIRECTLY RELATED TO THE FITNESS AND QUALIFICATION OF THE
19 APPLICANT OR LICENSEE;

20 (5) VIOLATES FEDERAL, STATE, OR LOCAL LAW REGARDING THE SALE
21 OF ELECTRONIC NICOTINE DELIVERY SYSTEMS; OR

22 (6) VIOLATES THIS TITLE, TITLE 16, OR TITLE 16.5 OF THIS ARTICLE
23 OR REGULATIONS ADOPTED UNDER THESE TITLES.

24 (B) SUBJECT TO THE HEARING PROVISIONS OF ~~§ 16.7-209~~ § 16.7-208 OF
25 THIS SUBTITLE, THE ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL DENY A LICENSE
26 TO ANY APPLICANT THAT HAS HAD A LICENSE REVOKED UNDER THIS SECTION
27 UNTIL:

28 (1) 1 YEAR HAS PASSED SINCE THE LICENSE WAS REVOKED; AND

29 (2) IT SATISFACTORILY APPEARS TO THE ~~COMPTROLLER CLERK~~ COMPTROLLER

1 COMPTROLLER THAT THE APPLICANT WILL COMPLY WITH THIS TITLE AND ANY
2 REGULATIONS ADOPTED UNDER THIS TITLE.

3 (C) PRIOR TO THE ISSUANCE OR RENEWAL OF ANY LICENSE, THE
4 ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL CONDUCT AN INVESTIGATION WITH
5 REGARD TO:

6 (1) THE APPLICANT;

7 (2) THE BUSINESS TO BE OPERATED; AND

8 (3) THE FACTS SET FORTH IN THE APPLICATION.

9 ~~16.7-209.~~ 16.7-208.

10 (A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE
11 GOVERNMENT ARTICLE, BEFORE THE ~~COMPTROLLER CLERK~~ COMPTROLLER
12 TAKES ANY FINAL ACTION UNDER ~~§ 16.7-208~~ § 16.7-207 OF THIS SUBTITLE, THE
13 ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL GIVE THE PERSON AGAINST WHOM
14 THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE
15 ~~COMPTROLLER CLERK~~ COMPTROLLER.

16 (B) THE ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL GIVE NOTICE AND
17 HOLD THE HEARING IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE
18 GOVERNMENT ARTICLE.

19 (C) THE ~~COMPTROLLER CLERK~~ COMPTROLLER MAY ADMINISTER OATHS IN
20 A PROCEEDING UNDER THIS SECTION.

21 (D) THE PERSON AGAINST WHICH THE ACTION IS CONTEMPLATED MAY BE
22 REPRESENTED AT THE HEARING BY COUNSEL.

23 (E) IF, AFTER DUE NOTICE, THE PERSON AGAINST WHICH THE ACTION IS
24 CONTEMPLATED DOES NOT APPEAR, THE ~~COMPTROLLER CLERK~~ COMPTROLLER
25 MAY NEVERTHELESS HEAR AND DETERMINE THE MATTER.

26 ~~16.7-210.~~ 16.7-209.

27 (A) SUBJECT TO THE NOTICE REQUIREMENT OF SUBSECTION (C) OF THIS
28 SECTION, IF A LICENSEE ENGAGES IN AN ACT OR OMISSION THAT IS GROUNDS FOR
29 DISCIPLINE UNDER ~~§ 16.7-208~~ § 16.7-207 OF THIS SUBTITLE, THE ~~COMPTROLLER~~
30 ~~CLERK~~ COMPTROLLER MAY SUSPEND THE LICENSE FOR A CONSECUTIVE PERIOD OF
31 TIME THAT:

(1) FOR A FIRST OFFENSE, IS NOT LESS THAN 5 AND NOT MORE THAN 20 BUSINESS DAYS; AND

(2) FOR A SUBSEQUENT OFFENSE, IS NOT LESS THAN 20 BUSINESS DAYS AND NOT MORE THAN 6 MONTHS.

(B) SUBJECT TO THE NOTICE REQUIREMENT UNDER SUBSECTION (C) OF THIS SECTION, THE ~~COMPTROLLER CLERK~~ COMPTROLLER MAY REVOKE A LICENSE IF A LICENSEE WILLFULLY AND PERSISTENTLY ENGAGES IN AN ACT OR OMISSION THAT IS GROUNDS FOR DISCIPLINE UNDER ~~§ 16.7-208(A)~~ § 16.7-207(A) OF THIS SUBTITLE.

(C) IF A LICENSE IS SUSPENDED OR REVOKED UNDER THIS SECTION:

(1) THE ~~COMPTROLLER CLERK~~ COMPTROLLER SHALL GIVE THE LICENSEE NOTICE OF THE SUSPENSION OR REVOCATION; AND

(2) THE SUSPENSION OR REVOCATION OF A LICENSE MAY NOT BAR OR ABATE A DISCIPLINARY ACTION UNDER THIS SECTION.

(D) THE TRANSFER, RENEWAL, OR EXPIRATION OF A LICENSE MAY NOT BAR OR ABATE A DISCIPLINARY ACTION UNDER THIS SECTION.

(E) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, IF A LICENSE ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE IS SUSPENDED OR REVOKED BY THE ~~COMPTROLLER CLERK~~ COMPTROLLER, THE LICENSEE MAY, BEFORE THE EFFECTIVE DATE OF THE SUSPENSION OR REVOCATION, PETITION THE ~~COMPTROLLER CLERK~~ COMPTROLLER FOR PERMISSION TO MAKE AN OFFER OF COMPROMISE CONSISTING OF A SUM OF MONEY IN LIEU OF SERVING THE SUSPENSION OR REVOCATION.

(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY IF A LICENSE IS SUSPENDED OR REVOKED FOR A VIOLATION OF § 24-305 OF THE HEALTH – GENERAL ARTICLE, OR ANY OTHER FEDERAL, STATE, OR LOCAL LAW PROHIBITING THE SALE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS TO MINORS.

~~(2) MONEY PAID IN LIEU OF SUSPENSION OR REVOCATION SHALL BE PAID INTO THE GENERAL FUND OF THE STATE.~~

~~(3)~~ (2) MONEY PAID IN LIEU OF SUSPENSION OR REVOCATION SHALL BE PAID INTO THE GENERAL FUND OF THE STATE.

(3) AN OFFER OF COMPROMISE MAY NOT EXCEED \$2,000 FOR RETAIL LICENSEES OR \$50,000 FOR OTHER LICENSEES.

1 ~~(4) (3) (4)~~ THE ~~COMPTROLLER CLERK~~ COMPTROLLER MAY ACCEPT
2 THE OFFER OF COMPROMISE IF:

3 (I) THE PUBLIC WELFARE AND MORALS WOULD NOT BE
4 IMPAIRED BY ALLOWING THE LICENSEE TO OPERATE DURING THE PERIOD SET FOR
5 THE SUSPENSION OR REVOCATION; AND

6 (II) THE PAYMENT OF THE SUM OF MONEY WILL ACHIEVE THE
7 DESIRED DISCIPLINARY PURPOSES.

8 ~~(5) THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY OUT~~
9 ~~THIS SUBSECTION.~~

10 ~~(4) (5)~~ THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY
11 OUT THIS SUBSECTION.

12 16.7-210.

13 A PARTY TO A PROCEEDING BEFORE THE COMPTROLLER THAT IS AGGRIEVED
14 BY A FINAL DECISION OF THE COMPTROLLER IN A CONTESTED CASE, AS DEFINED IN
15 § 10-202 OF THE STATE GOVERNMENT ARTICLE, IS ENTITLED TO JUDICIAL REVIEW
16 AS PROVIDED IN §§ 10-222 AND 10-223 OF THE STATE GOVERNMENT ARTICLE.

17 16.7-211.

18 ~~A PARTY TO A PROCEEDING BEFORE THE COMPTROLLER THAT IS AGGRIEVED~~
19 ~~BY A FINAL DECISION OF THE COMPTROLLER IN A CONTESTED CASE, AS DEFINED~~
20 ~~IN § 10-202 OF THE STATE GOVERNMENT ARTICLE, IS ENTITLED TO JUDICIAL~~
21 ~~REVIEW AS PROVIDED IN §§ 10-222 AND 10-223 OF THE STATE GOVERNMENT~~
22 ~~ARTICLE.~~

23 ~~16.7-212.~~

24 (A) A PERSON MAY NOT ACT, ATTEMPT TO ACT, OR OFFER TO ACT AS AN
25 ELECTRONIC NICOTINE DELIVERY SYSTEMS MANUFACTURER, AN ELECTRONIC
26 NICOTINE DELIVERY SYSTEMS RETAILER, ~~AN ELECTRONIC NICOTINE DELIVERY~~
27 ~~SYSTEMS STORAGE WAREHOUSE,~~ AN ELECTRONIC NICOTINE DELIVERY SYSTEMS
28 WHOLESALE, ~~OR~~ DISTRIBUTOR, AN ELECTRONIC NICOTINE DELIVERY SYSTEMS
29 WHOLESALE IMPORTER, OR A VAPE SHOP VENDOR IN THE STATE UNLESS THE
30 PERSON HAS AN APPROPRIATE LICENSE.

31 (B) (1) A PERSON THAT VIOLATES THIS SECTION IS GUILTY OF A
32 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000

OR IMPRISONMENT NOT EXCEEDING 30 DAYS OR BOTH.

(2) EACH DAY THAT A VIOLATION OF THIS SECTION CONTINUES IS A SEPARATE OFFENSE.

~~16.7-213.~~

~~(A) (1) THE COMPTROLLER SHALL PAY INTO THE GENERAL FUND OF THE STATE ALL LICENSE FEES COLLECTED UNDER THIS TITLE.~~

~~(2) ALL LICENSE FEES COLLECTED BY THE COUNTIES UNDER THIS TITLE ARE SUBJECT TO THE DISTRIBUTION PROVISIONS OF § 17-206 OF THIS ARTICLE.~~

~~(B) THE GENERAL ASSEMBLY INTENDS THAT THESE LICENSE FEES BE USED TO ADMINISTER THIS TITLE.~~

~~16.7-214.~~ 16.7-212.

~~(A) EACH ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER;~~

~~(1) SHALL OBTAIN AN INVOICE FOR EACH PURCHASE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS;~~

~~(2) SHALL KEEP A RECORD OF ALL ELECTRONIC NICOTINE DELIVERY SYSTEMS RECEIVED, TO WHICH THE ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER SHALL POST EACH DAY:~~

~~(I) THE INVOICE NUMBER;~~

~~(II) THE DATE OF RECEIPT;~~

~~(III) THE QUANTITY RECEIVED;~~

~~(IV) THE BRAND;~~

~~(V) THE MANUFACTURER; AND~~

~~(VI) THE NAME OF THE PERSON FROM WHOM THE ELECTRONIC NICOTINE DELIVERY SYSTEMS ARE RECEIVED;~~

~~(3) FOR ELECTRONIC NICOTINE DELIVERY SYSTEMS SALES TO OTHER
ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILERS AND VAPE SHOP VENDORS;~~

~~(I) SHALL KEEP A RECORD OF THE NAME AND ADDRESS OF
EACH ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER AND VAPE SHOP
VENDOR TO WHOM A SALE IS MADE; AND~~

~~(H) EXCEPT FOR A TRANSFER OF ELECTRONIC NICOTINE
DELIVERY SYSTEMS TO RETAIL STOCK BY A WRITTEN MEMORANDUM, SHALL
PREPARE FOR EACH SALE AN INVOICE THAT SHOWS THE POLITICAL SUBDIVISION
WHERE EACH ELECTRONIC NICOTINE DELIVERY SYSTEMS RETAILER AND VAPE
SHOP VENDOR IS LOCATED; AND~~

~~(4) SHALL KEEP A COMPLETE AND ACCURATE RECORD OF EACH SALE
OF ELECTRONIC NICOTINE DELIVERY SYSTEMS TO AN OUT OF STATE PERSON FOR
RESALE TO OUT OF STATE CONSUMERS.~~

~~(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
EACH ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR
ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER SHALL MAKE
AN INVENTORY RECORD EACH MONTH OF ALL ELECTRONIC NICOTINE DELIVERY
SYSTEMS ON THE PREMISES OR UNDER THE CONTROL OF THE ELECTRONIC
NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR ELECTRONIC
NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER;~~

~~(I) AT THE BEGINNING OR END OF THE MONTH; OR~~

~~(H) ON ANOTHER SPECIFIC DAY OF THE MONTH, IF THE
ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER DISTRIBUTOR OR
ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER IMPORTER FINDS IT
MORE PRACTICABLE TO TAKE INVENTORY ON THAT DAY AND NOTIFIES THE
COMPTROLLER THAT THE INVENTORY WILL BE TAKEN ON THAT DAY.~~

~~(2) ELECTRONIC NICOTINE DELIVERY SYSTEMS TRANSFERRED TO
RETAIL STOCK BY WRITTEN MEMORANDUM NEED NOT BE INCLUDED IN THE
INVENTORY RECORD.~~

~~(C) EACH ELECTRONIC NICOTINE DELIVERY SYSTEMS WHOLESALER SHALL:~~

~~(1) KEEP THE RECORDS REQUIRED BY THIS SECTION FOR 6 YEARS OR
FOR A SHORTER TIME SET BY THE COMPTROLLER; AND~~

~~(2) ALLOW THE COMPTROLLER TO EXAMINE THE RECORDS.~~

(A) (1) THE COMPTROLLER SHALL PAY INTO THE GENERAL FUND OF THE STATE ALL LICENSE FEES COLLECTED UNDER THIS TITLE.

(2) ALL LICENSE FEES COLLECTED BY THE COUNTIES UNDER THIS TITLE ARE SUBJECT TO THE DISTRIBUTION PROVISIONS OF § 17-205 OF THIS ARTICLE.

(B) THE GENERAL ASSEMBLY INTENDS THAT THESE LICENSE FEES BE USED TO ADMINISTER THIS TITLE.

~~16.7-215.~~

~~(A) A PERSON THAT TRANSPORTS ELECTRONIC NICOTINE DELIVERY SYSTEMS BY VEHICLE ON A PUBLIC ROAD SHALL HAVE IN THE VEHICLE A DELIVERY TICKET OR AN INVOICE THAT STATES:~~

~~(1) THE NAME AND ADDRESS OF THE SELLER OR CONSIGNOR;~~

~~(2) THE NAME AND ADDRESS OF A BUYER OR CONSIGNEE THAT IS AUTHORIZED TO HOLD ELECTRONIC NICOTINE DELIVERY SYSTEMS; AND~~

~~(3) THE QUANTITY AND BRANDS OF THE ELECTRONIC NICOTINE DELIVERY SYSTEMS THAT ARE BEING TRANSPORTED.~~

~~(B) THE COMPTROLLER BY REGULATION MAY REQUIRE A COMMON CARRIER THAT BRINGS ELECTRONIC NICOTINE DELIVERY SYSTEMS INTO THE STATE TO SUBMIT TO THE COMPTROLLER A COPY OF ANY FREIGHT BILL RELATING TO THE ELECTRONIC NICOTINE DELIVERY SYSTEMS SHIPMENT.~~

~~16.7-216.~~ 16.7-213.

(A) A PERSON MAY NOT SHIP, IMPORT, OR SELL INTO OR WITHIN THE STATE ANY ELECTRONIC NICOTINE DELIVERY SYSTEMS UNLESS THE PERSON:

~~(1) (i) IS THE OWNER OF THE BRAND;~~

~~(ii) IS THE UNITED STATES IMPORTER FOR THE BRAND; OR~~

~~(iii) IS A DESIGNATED AGENT IN MARYLAND OF:~~

~~1. THE OWNER OF THE BRAND; OR~~

~~2. THE UNITED STATES IMPORTER OF THE BRAND; AND~~

~~(2)~~ HOLDS ANY LICENSE REQUIRED BY THIS SUBTITLE.

(B) A PERSON THAT SHIPS, IMPORTS, OR SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS INTO OR WITHIN THE STATE:

(1) SHALL COMPLY WITH ANY FEDERAL AND STATE REQUIREMENTS CONCERNING THE PLACEMENT OF WARNING LABELS OR OTHER INFORMATION ON THE CONTAINERS OR INDIVIDUAL PACKAGES OF ELECTRONIC NICOTINE DELIVERY SYSTEMS; AND

(2) SHALL ENSURE THAT THE CONTAINERS OR INDIVIDUAL PACKAGES OF ELECTRONIC NICOTINE DELIVERY SYSTEMS DO NOT CONTAIN ANY INFORMATION OR MARKINGS THAT ARE FALSE, MISLEADING, OR CONTRARY TO:

(I) FEDERAL TRADEMARK LAWS; OR

(II) THE TRADEMARK LAW OF THE STATE UNDER TITLE 1, SUBTITLE 4 OF THIS ARTICLE.

(C) A PERSON THAT SHIPS, IMPORTS, OR SELLS ELECTRONIC NICOTINE DELIVERY SYSTEMS INTO OR WITHIN THE STATE IN VIOLATION OF THIS SECTION IS SUBJECT TO DISCIPLINARY ACTION BY THE ~~COMPTROLLER CLERK~~ COMPTROLLER UNDER ~~§ 16.7-208~~ 16.7-207 OF THIS SUBTITLE.

~~16.7-217.~~

~~(A) THIS SECTION APPLIES TO A PERSON THAT IS ENGAGED IN THE BUSINESS OF SELLING OR DISTRIBUTING ELECTRONIC NICOTINE DELIVERY SYSTEMS.~~

~~(B) A PERSON MAY NOT:~~

~~(1) SELL OR SHIP ELECTRONIC NICOTINE DELIVERY SYSTEMS, ORDERED OR PURCHASED BY MAIL OR THROUGH A COMPUTER NETWORK, TELEPHONIC NETWORK, OR OTHER ELECTRONIC NETWORK BY A CONSUMER OR OTHER UNLICENSED RECIPIENT, DIRECTLY TO A CONSUMER OR OTHER UNLICENSED RECIPIENT IN THE STATE; OR~~

~~(2) CAUSE ELECTRONIC NICOTINE DELIVERY SYSTEMS, ORDERED OR PURCHASED BY MAIL OR THROUGH A COMPUTER NETWORK, TELEPHONIC NETWORK, OR OTHER ELECTRONIC NETWORK BY A CONSUMER OR OTHER UNLICENSED RECIPIENT, TO BE SHIPPED DIRECTLY TO A CONSUMER OR OTHER UNLICENSED RECIPIENT IN THE STATE.~~

~~(C) (1) A PERSON OTHER THAN A LICENSEE THAT SELLS OR SHIPS ELECTRONIC NICOTINE DELIVERY SYSTEMS IN VIOLATION OF THIS SECTION OR CAUSES ELECTRONIC NICOTINE DELIVERY SYSTEMS TO BE SHIPPED IN VIOLATION OF THIS SECTION IS GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 PER TRANSACTION OR IMPRISONMENT NOT EXCEEDING 2 YEARS OR BOTH.~~

~~(2) A LICENSEE THAT SELLS AND SHIPS ELECTRONIC NICOTINE DELIVERY SYSTEMS IN VIOLATION OF THIS SECTION OR CAUSES ELECTRONIC NICOTINE DELIVERY SYSTEMS TO BE SHIPPED IN VIOLATION OF THIS SECTION IS:~~

~~(I) SUBJECT TO DISCIPLINE BY THE COMPTROLLER UNDER § 16.7-208 OF THIS SUBTITLE; AND~~

~~(II) GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 FOR EACH PACKAGE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS TRANSPORTED OR IMPRISONMENT NOT EXCEEDING 2 YEARS OR BOTH.~~

~~16.7-218. 16.7-214.~~

UNLESS OTHERWISE SPECIFIED IN THIS TITLE, A PERSON THAT VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING 30 DAYS OR BOTH.

Article – Health – General

24–305.

(b) (1) Except as provided in paragraph (2) of this subsection, a person may not sell, distribute, or offer for sale to a minor an [electronic device, a component for an electronic device, or a product used to refill or resupply an electronic device that can be used to deliver nicotine to the individual inhaling from the device, including an electronic cigarette, cigar, cigarillo, or pipe] **ELECTRONIC NICOTINE DELIVERY SYSTEM, AS DEFINED IN § 16.7–101(C) OF THE BUSINESS REGULATION ARTICLE.**

(2) This subsection does not apply to [a] **AN ELECTRONIC** nicotine [device] **DELIVERY SYSTEM** that contains or delivers nicotine intended for human consumption if the device has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product and is being marketed and sold solely for this purpose.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.