

Understanding the Impact of the Tobacco Retail Modernization Act

The Maryland Tobacco Retail Modernization Act of 2024 prohibits retailers from displaying cigarettes, other tobacco products, or electronic smoking devices for sale unless these items are located behind a counter. It mandates that licensed retailers verify an individual's date of birth before selling these products. Additionally, the Act increases the application fee for a county license to sell cigarettes or tobacco products at retail. The ATCC, Maryland Department of Health, and local health departments are responsible for enforcing the provisions of this Act. Please review this document to ensure that your operations comply with the law.

Cigarette License

Authorizes the license to:

- ▶ Sell cigarettes to consumers through vending machines on fewer than 40 premises,
 - The owner must have a county license for each vending machine.
- ▶ Sell cigarettes to consumers, or holds cigarettes for sale to consumers,
- ▶ Act as a retailer and buy stamped cigarettes from a subwholesaler or wholesaler.

Delivery Limitation:

- ▶ May deliver no more than two cartons of cigarettes directly to a consumer if the delivery is made by the retailer or an employee.

New Excise Tax Rate: \$5.00 for pack of 20 / \$0.25 per cigarette in package.

OTP License (Other Tobacco Products)

Authorizes the license to:

- ▶ Sell OTP to consumers
- ▶ Buy OTP on which the tobacco tax has been paid from an OTP wholesaler, and
- ▶ Buy premium cigars to pipe tobacco on which the tobacco tax has not been paid from an OTP manufacturer.

New Excise Tax Rate: 60% of the wholesale price of the tobacco products

ESD License (Electronic Smoking Devices)

Authorizes the license to:

- ▶ Sell ESD to consumers,
- ▶ Buy ESD from an ESD wholesaler distributor or ESD wholesaler importer,
- ▶ If the retailer also holds a license to act as an ESD manufacturer they can sell retail ESD manufactured under the manufacturer license, and
- ▶ Except as otherwise prohibited or restricted under local law, distribute sample ESD to consumers.

Sales Tax Rate: 20% tax on ESDs and vaping liquid over 5 ml / 60% tax on 5 ml or less

Important Tobacco Changes for 2024

- Tobacco products may not be sold to any customer under the age of 21.
- A valid driver's license or other valid government-issued ID are the only acceptable forms of identification for tobacco purchases (employer or school ID not permitted).
- The Maryland Department of Health or its designees will conduct at least one inspection per licensed retailer per year.
- Tobacco retailers are required to verify the age of all individuals under the age of 30 with a government-issued photo identification prior to selling any tobacco product, including ESDs.
- Tobacco retailers are to keep all cigarettes, other tobacco products (OTP) (excluding premium cigars), and ESDs behind the counter in an area accessible only to the licensed retailer and employees.
- Increase of licensing fees for tobacco retailers (cigarettes and ESD) from \$25 to \$300.
- Increased penalties for tobacco retailers that violate state tobacco laws:
 - Increase from \$300 to \$500 for first offense
 - Allows the District Court to order the Executive Director of the Alcohol, Tobacco, and Cannabis Commission (ATCC) to suspend a license for up to 90 days for a second violation, up to 180 days for subsequent violations, and revoke the license for additional subsequent violations. This mandates the ATCC to take action based on the Court's order following a conviction for these charges.
 - Allows the clerk or the tobacco retailer to be directly cited for a violation.
- Retailers are required to post new age of sale signs in their establishments stating, 'No person under the age of 21 may be sold tobacco products'

Resources and Contacts



Maryland Alcohol, Tobacco, and Cannabis Commission (ATCC)

Maryland's tobacco industry is governed by regulations to safeguard public health and ensure responsible trade. The ATCC regulates and enforces compliance among tobacco licensees, working with various agencies to prevent underage sales and ensure businesses follow state laws.

- The ATCC may deny, reprimand, suspend, or revoke a license, including retailer tobacco licenses.
- The ATCC oversees more than 6,000 Maryland tobacco retailers, conducting inspections, investigations, and enforcing regulatory compliance to ensure the safe sale and distribution of tobacco products.



Tobacco Industry FAQs

Read of FAQs to learn how the ATCC issues wholesaler and distributor Licenses.



Tobacco Licensing or Permit Questions?

Contact us at 443-300-6990 or atcc.licensing@maryland.gov



Office of the Comptroller of Maryland

The Comptroller of Maryland primarily focuses on ensuring compliance with laws related to the sale, distribution, and taxation of tobacco products.



Tax Information for Tobacco Taxpayers

<https://bit.ly/MDTobaccoTax>

Maryland Comptroller Email Contacts:



General Information

taxhelp@marylandtaxes.gov



Cigarette Stamps

cigarettestamps@marylandtaxes.gov



Tobacco Tax

alcoholreturns@marylandtaxes.gov



Maryland Department of Health (MDH)

The Maryland Department of Health (MDH) is responsible for preventing individuals under 21 from accessing tobacco products by collaborating with partners and providing training and outreach to tobacco retailers. Through its responsible tobacco retailer program, MDH offers resources online and distributes annual toolkits to over 6,000 licensed retailers statewide.



Responsible Tobacco Retailer

Resources NoTobaccoSalesToMinors.com



MDH Email Contact

mdh.tobaccosalestominors@maryland.gov

Local Health Departments

Find your local health department contact information below:

Allegany	301-759-5000	bit.ly/allegany-health
Anne Arundel	410-222-7095	bit.ly/anne-arundel-health
Baltimore City	410-396-4398	bit.ly/baltimore-health
Baltimore	410-887-2243	bit.ly/baltimore-county-health
Calvert	410-535-5400	bit.ly/calvert-health
Caroline	410-479-8000	bit.ly/caroline-health
Carroll	410-876-2152	bit.ly/carroll-health
Cecil	410-996-5550	bit.ly/cecil-health
Charles	301-609-6900	bit.ly/charles-health
Dorchester	410-228-9319	bit.ly/dorchester-health
Frederick	301-600-1029	bit.ly/frederick-health
Garrett	301-895-3111	bit.ly/garrett-health
Harford	410-838-1500	bit.ly/harford-health
Howard	410-313-6300	bit.ly/howard-health
Kent	410-778-1350	bit.ly/kent-health
Montgomery	301-251-4850	bit.ly/montgomery-health
Prince George's	301-883-7879	bit.ly/prince-georges-health
Queen Anne's	410-758-0720	bit.ly/queen-annes-health
Somerset	443-523-1700	bit.ly/somerset-health
St. Mary's	301-475-4330	bit.ly/st-marys-health
Talbot	410-819-5600	bit.ly/talbot-health
Washington	240-313-3200	bit.ly/washington-health
Wicomico	410-749-1244	bit.ly/wicomico-health
Worcester	410-632-1100	bit.ly/worcester-co-health