

HOUSE BILL 633

M4, J1, B1

5lr0703

By: **Delegate Rosenberg**

Introduced and read first time: February 12, 2015

Assigned to: Environment and Transportation and Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Cigarette Restitution Fund – Use of Funds – Compliance With Watershed**
3 **Implementation Plans**

4 FOR the purpose of allowing the Cigarette Restitution Fund to be used to provide financial
5 assistance to farmers to be used for certain purposes; establishing the Watershed
6 Implementation Plan Fund as a special, nonlapsing fund; specifying the purpose of
7 the Fund; requiring the Department of Agriculture to administer the Fund; requiring
8 the State Treasurer to hold the Fund and the Comptroller to account for the Fund;
9 specifying the contents of the Fund; specifying the purpose for which the Fund may
10 be used; providing for the investment of money in and expenditures from the Fund;
11 requiring the Department to adopt certain regulations; requiring the Department to
12 make a certain report to the General Assembly on or before a certain date; defining
13 a certain term; providing for the application of this Act; and generally relating to the
14 use of certain money from the Cigarette Restitution Fund and certain financial
15 assistance to farmers.

16 BY repealing and reenacting, without amendments,
17 Article – State Finance and Procurement
18 Section 7–317(a) and (b)
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2014 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – State Finance and Procurement
23 Section 7–317(f) and (g)
24 Annotated Code of Maryland
25 (2009 Replacement Volume and 2014 Supplement)

26 BY adding to
27 Article – Agriculture
28 Section 8–808

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2007 Replacement Volume and 2014 Supplement)

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

5 **Article – State Finance and Procurement**

6 7–317.

7 (a) There is a Cigarette Restitution Fund.

8 (b) (1) The Fund is a continuing, nonlapsing fund that is not subject to §
9 7–302 of this subtitle.

10 (2) There shall be credited to the Fund all revenues consisting of funds
11 received by the State from any source resulting, directly or indirectly, from any judgment
12 against or settlement with tobacco product manufacturers, tobacco research associations,
13 or any other person in the tobacco industry relating to litigation, administrative
14 proceedings, or any other claims made or prosecuted by the State to recover damages for
15 violations of State law.

16 (3) There shall be credited to the Fund all moneys collected under § 24–508
17 of the Health – General Article or § 5–608 of the Labor and Employment Article.

18 (f) (1) The Cigarette Restitution Fund shall be used to fund:

19 (i) the Tobacco Use Prevention and Cessation Program established
20 under Title 13, Subtitle 10 of the Health – General Article;

21 (ii) the Cancer Prevention, Education, Screening, and Treatment
22 Program established under Title 13, Subtitle 11 of the Health – General Article; and

23 (iii) other programs that serve the following purposes:

24 1. reduction of the use of tobacco products by minors;

25 2. implementation of the Southern Maryland Regional
26 Strategy–Action Plan for Agriculture adopted by the Tri–County Council for Southern
27 Maryland with an emphasis on alternative crop uses for agricultural land now used for
28 growing tobacco;

29 3. public and school education campaigns to decrease tobacco
30 use with initial emphasis on areas targeted by tobacco manufacturers in marketing and
31 promoting cigarette and tobacco products;

32 4. smoking cessation programs;

- 1 5. enforcement of the laws regarding tobacco sales;
- 2 6. the purposes of the Maryland Health Care Foundation
3 under Title 20, Subtitle 5 of the Health – General Article;
- 4 7. primary health care in rural areas of the State and areas
5 targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco
6 products;
- 7 8. prevention, treatment, and research concerning cancer,
8 heart disease, lung disease, tobacco product use, and tobacco control, including operating
9 costs and related capital projects;
- 10 9. substance abuse treatment and prevention programs;
11 [and]
- 12 10. **FINANCIAL ASSISTANCE TO FARMERS FOR
13 IMPLEMENTATION OF STATE OR LOCAL WATERSHED IMPLEMENTATION PLANS
14 ASSOCIATED WITH THE CHESAPEAKE BAY TOTAL MAXIMUM DAILY LOAD; AND**
- 15 11. any other public purpose.

16 (2) The provisions of this subsection may not be construed to affect the
17 Governor's powers with respect to a request for an appropriation in the annual budget bill.

18 (g) (1) Amounts may only be expended from the Fund through appropriations
19 in the State budget bill as provided in this subsection.

20 (2) The Governor shall include in the annual budget bill appropriations
21 from the Fund equivalent to the lesser of \$100,000,000 or 90% of the funds estimated to be
22 available to the Fund in the fiscal year for which the appropriations are made.

23 (3) For each fiscal year for which appropriations are made, at least 50% of
24 the appropriations shall be made for those purposes enumerated in subsection (f)(1)(i), (ii),
25 and (iii)1 through [9] 10 of this section subject to the requirement of subsection (e)(2) of
26 this section.

27 (4) For each fiscal year for which appropriations are made, at least 30% of
28 the appropriations shall be made for the purposes of the Maryland Medical Assistance
29 Program.

30 (5) For each fiscal year for which appropriations are made, 0.15% of the
31 Fund shall be appropriated for the purposes of enforcement of Title 16, Subtitle 5 of the
32 Business Regulation Article.

(6) Any additional appropriations, not subject to paragraph (3), paragraph (4), or paragraph (5) of this subsection, may be made for any lawful purpose.

Article – Agriculture

8–808.

(A) IN THIS SECTION, “FUND” MEANS THE WATERSHED IMPLEMENTATION PLAN FUND.

(B) THERE IS A WATERSHED IMPLEMENTATION PLAN FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE TO FARMERS TO ASSIST WITH THE REQUIREMENTS OF STATE OR LOCAL WATERSHED IMPLEMENTATION PLANS ASSOCIATED WITH THE CHESAPEAKE BAY TOTAL MAXIMUM DAILY LOAD.

(D) THE DEPARTMENT SHALL:

(1) ADMINISTER THE FUND;

(2) ADOPT REGULATIONS THAT:

(I) ESTABLISH CRITERIA FOR DISTRIBUTING THE MONEY OF THE FUND; AND

(II) SPECIFY THE PURPOSES FOR WHICH THE FUND MAY BE USED; AND

(3) ON OR BEFORE DECEMBER 31 EACH YEAR, REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, ON THE USE OF THE FUND DURING THE CALENDAR YEAR.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 7–317 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

1 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**
2 **AND**

3 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
4 **THE BENEFIT OF THE FUND.**

5 **(G) (1) THE FUND MAY BE USED ONLY TO PROVIDE FINANCIAL**
6 **ASSISTANCE TO FARMERS TO DEFRAY THE COSTS OF COMPLYING WITH THE**
7 **REQUIREMENTS OF STATE OR LOCAL WATERSHED IMPLEMENTATION PLANS**
8 **ASSOCIATED WITH THE CHESAPEAKE BAY TOTAL MAXIMUM DAILY LOAD.**

9 **(2) THE FUND MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.**

10 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
11 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

12 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**
13 **TO THE GENERAL FUND OF THE STATE.**

14 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
15 **WITH THE STATE BUDGET.**

16 **(J) MONEY EXPENDED FROM THE FUND FOR FINANCIAL ASSISTANCE TO**
17 **FARMERS IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF**
18 **FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR FINANCIAL ASSISTANCE**
19 **TO FARMERS.**

20 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June**
21 **1, 2015, and shall be applicable to fiscal year 2017 and each fiscal year thereafter.**