

HOUSE BILL 321

J1

3lr0360

By: **Delegate Rosenberg**

Introduced and read first time: January 25, 2023

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Cigarette Restitution Fund – Payments for Sale and Marketing of Electronic**
3 **Smoking Devices – Use**

4 FOR the purpose of requiring the Cigarette Restitution Fund to include a separate account
5 consisting of payments received by the State as a result of litigation by participating
6 manufacturers related to the sale and marketing of electronic smoking devices;
7 providing that distributions from the separate account may be used only to
8 supplement General Fund appropriations designated for certain programs with the
9 purpose of reducing the use of tobacco products by individuals under a certain age;
10 and generally relating to the Cigarette Restitution Fund.

11 BY repealing and reenacting, without amendments,
12 Article – State Finance and Procurement
13 Section 7–317(a) and (f)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2022 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Finance and Procurement
18 Section 7–317(b) and (i)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2022 Supplement)

21 BY adding to
22 Article – State Finance and Procurement
23 Section 7–317(i)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2022 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Finance and Procurement

1 7–317.

2 (a) There is a Cigarette Restitution Fund.

3 (b) (1) The Fund is a continuing, nonlapsing fund that is not subject to §
4 7–302 of this subtitle.

5 (2) [Except as provided in subsection] **SUBJECT TO SUBSECTIONS (h)**
6 **AND (I)** of this section, there shall be credited to the Fund all revenues consisting of funds
7 received by the State from any source resulting, directly or indirectly, from any judgment
8 against or settlement with tobacco product manufacturers, tobacco research associations,
9 or any other person in the tobacco industry relating to litigation, administrative
10 proceedings, or any other claims made or prosecuted by the State to recover damages for
11 violations of State law.

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

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

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

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

19 (iii) the activities of the Southern Maryland Agricultural
20 Development Commission, in accordance with § 13–611 of the Economic Development
21 Article; and
22

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

24 1. reduction of the use of tobacco products by individuals
25 under the age of 21 years;

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

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

1 4. smoking cessation programs;

2 5. enforcement of the laws regarding tobacco sales;

3 6. the purposes of the Maryland Health Care Foundation
4 under Title 20, Subtitle 5 of the Health – General Article;

5 7. primary health care in rural areas of the State and areas
6 targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco
7 products;

8 8. prevention, treatment, and research concerning cancer,
9 heart disease, lung disease, tobacco product use, and tobacco control, including operating
10 costs and related capital projects;

11 9. substance abuse treatment and prevention programs; and

12 10. any other public purpose.

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

15 **(I) (1) THE FUND SHALL INCLUDE A SEPARATE ACCOUNT CONSISTING**
16 **OF PAYMENTS RECEIVED BY THE STATE AS A RESULT OF LITIGATION BY**
17 **PARTICIPATING MANUFACTURERS RELATED TO THE SALE AND MARKETING OF**
18 **ELECTRONIC SMOKING DEVICES.**

19 **(2) DISTRIBUTIONS FROM THE SEPARATE ACCOUNT ESTABLISHED**
20 **UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE USED ONLY TO SUPPLEMENT**
21 **THE GENERAL FUND APPROPRIATIONS DESIGNATED FOR PROGRAMS UNDER**
22 **SUBSECTION (F) OF THIS SECTION WITH THE PURPOSE OF REDUCING THE USE OF**
23 **TOBACCO PRODUCTS BY INDIVIDUALS UNDER THE AGE OF 21 YEARS.**

24 **[(i)] (J)** For each program, project, or activity receiving funds appropriated
25 under subsection (g)(3) of this section, the Governor shall:

26 (1) develop appropriate statements of vision, mission, key goals, key
27 objectives, and key performance indicators and report these statements in a discrete part
28 of the State budget submission, which shall also provide data for key performance
29 indicators; and

30 (2) report annually, subject to § 2–1257 of the State Government Article,
31 to the General Assembly no later than November 1 on:

32 (i) total funds expended, by program and subdivision, in the prior
33 fiscal year from the Fund established under this section; and

1 (ii) the specific outcomes or public benefits resulting from that
2 expenditure.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2023.