
By: **Delegates Rosenberg, Frush, Taylor, Conroy, Hubbard, Morhaim,
Petzold, Pitkin, R. Baker, Crumlin, Billings, Cryor, Bobo,
Nathan-Pulliam, Shriver, Goldwater, Moe, and Turner**

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Committee Report: Favorable with amendments
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CHAPTER _____

1 AN ACT concerning

2 **Cigarette Restitution Fund**

3 FOR the purpose of establishing the Cigarette Restitution Fund; providing for the
4 distribution of certain revenues to the Fund; providing for administration of the
5 Fund by the Secretary of Health and Mental Hygiene; providing for
6 expenditures from the Fund by appropriation or approved budget amendment;
7 requiring the Secretary to take certain actions relating to the Fund; establishing
8 a Cigarette Restitution Fund Advisory Panel to make certain recommendations
9 for allocation and disbursement of moneys from the Fund; prohibiting the Fund
10 from being expended in violation of certain restrictions or limitations; requiring
11 the Fund to be expended for certain purposes; providing that disbursements
12 from the Fund are to be used to supplement, and not to supplant, funds
13 otherwise available for the programs for which the funds are used; and generally
14 relating to the Cigarette Restitution Fund.

15 BY adding to
16 Article - State Finance and Procurement
17 Section 7-317
18 Annotated Code of Maryland
19 (1995 Replacement Volume and 1997 Supplement)

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

1 **Article - State Finance and Procurement**

2 7-317.

3 (A) THERE IS A CIGARETTE RESTITUTION FUND.

4 (B) (1) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
5 SUBJECT TO THE PROVISIONS OF § 7-302 OF THIS SUBTITLE.6 (2) THERE SHALL BE CREDITED TO THE FUND ALL REVENUES
7 CONSISTING OF FUNDS RECEIVED BY THE STATE FROM ANY SOURCE AS A DIRECT OR
8 INDIRECT RESULT OF ANY JUDGMENT AGAINST OR SETTLEMENT WITH TOBACCO
9 PRODUCT MANUFACTURERS, TOBACCO RESEARCH ASSOCIATIONS, OR ANY OTHER
10 PERSON IN THE TOBACCO INDUSTRY RELATING TO LITIGATION, ADMINISTRATIVE
11 PROCEEDINGS, OR ANY OTHER CLAIMS MADE OR PROSECUTED BY THE STATE TO
12 RECOVER DAMAGES FOR VIOLATIONS OF STATE LAW.

13 (C) THE TREASURER SHALL:

14 (1) INVEST AND REINVEST THE FUND IN THE SAME MANNER AS OTHER
15 STATE FUNDS; AND

16 (2) CREDIT ANY INVESTMENT EARNINGS TO THE FUND.

17 (D) EXPENDITURES FROM THE FUND SHALL BE MADE BY:

18 (1) AN APPROPRIATION IN THE ANNUAL STATE BUDGET; OR

19 (2) A BUDGET AMENDMENT IN ACCORDANCE WITH § 7-209 OF THIS
20 TITLE, PROVIDED THAT ANY BUDGET AMENDMENT SHALL BE SUBMITTED TO AND
21 APPROVED BY THE LEGISLATIVE POLICY COMMITTEE PRIOR TO THE EXPENDITURE
22 OR OBLIGATION OF FUNDS.23 (E) IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (F) OF THIS
24 SECTION, THE SECRETARY OF HEALTH AND MENTAL HYGIENE OR THE DESIGNEE OF
25 THE SECRETARY SHALL:

26 (1) ADMINISTER THE FUND;

27 (2) DEVELOP PLANS, PREPARE AND SUBMIT PROPOSALS TO THE
28 GOVERNOR FOR FUND USE, AND UNDERTAKE ANY ACTION THAT IS NECESSARY TO
29 OBTAIN FOR THE FUND ALL JUDGMENT AWARDS TO WHICH THE CITIZENS OF THE
30 STATE HAVE A LEGAL ENTITLEMENT;31 (3) SUBJECT TO SUBSECTION (G) OF THIS SECTION, ASSESS AND
32 DETERMINE THE RESPECTIVE NEEDS OF THE CITIZENS OF THE STATE AND DEVELOP
33 RECOMMENDATIONS FOR THE ALLOCATION AND DISBURSEMENT OF FUNDS IN
34 ACCORDANCE WITH THOSE NEEDS PURSUANT TO THE PROVISIONS OF SUBSECTION
35 (F) OF THIS SECTION;

1 (4) CONDUCT PUBLIC HEARINGS AT LEAST TWICE A YEAR AT TIMES AND
2 PLACES THE SECRETARY OR THE DESIGNEE OF THE SECRETARY DETERMINES; AND

3 (5) PERFORM OTHER DUTIES AS MAY BE ASSIGNED BY THE GOVERNOR.

4 (F) (1) THE FUND SHALL BE EXPENDED SUBJECT TO ANY RESTRICTIONS ON
5 ITS USE OR OTHER LIMITATIONS ON ITS ALLOCATION THAT ARE:

6 (I) EXPRESSLY PROVIDED BY STATUTE; OR

7 (II) REQUIRED AS A CONDITION OF THE ACCEPTANCE OF FUNDS.

8 ~~(2) SUBJECT TO PARAGRAPH (1) OF THIS SUBSECTION AND~~
9 ~~NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FUND SHALL BE~~
10 ~~EXPENDED ONLY FOR THE FOLLOWING PURPOSES:~~

11 ~~(I) REDUCTION OF THE USE OF TOBACCO PRODUCTS BY PERSONS~~
12 ~~UNDER THE AGE OF 18 YEARS;~~

13 ~~(II) ALTERNATIVE CROP USES FOR AGRICULTURAL LAND NOW~~
14 ~~USED FOR GROWING TOBACCO;~~

15 ~~(III) PUBLIC EDUCATION CAMPAIGNS TO DECREASE TOBACCO USE;~~

16 ~~(IV) SMOKING CESSATION PROGRAMS;~~

17 ~~(V) ENFORCEMENT OF THE LAWS REGARDING TOBACCO SALES;~~
18 ~~AND~~

19 ~~(VI) THE PURPOSES OF THE MARYLAND HEALTH CARE~~
20 ~~FOUNDATION UNDER TITLE 20, SUBTITLE 5 OF THE HEALTH GENERAL ARTICLE.~~

21 ~~(3)~~ (2) DISBURSEMENTS FROM THE FUND TO PROGRAMS FUNDED BY
22 THE STATE OR WITH FEDERAL FUNDS ADMINISTERED BY THE STATE SHALL BE USED
23 SOLELY TO SUPPLEMENT, AND NOT TO SUPPLANT, FUNDS OTHERWISE AVAILABLE
24 FOR SUCH PROGRAMS UNDER FEDERAL OR STATE LAW.

25 (G) (1) THERE IS A CIGARETTE RESTITUTION FUND ADVISORY PANEL.

26 (2) THE ADVISORY PANEL CONSISTS OF 9 13 MEMBERS.

27 (3) OF THE 9 13 MEMBERS:

28 (I) ONE SHALL BE THE SECRETARY OF HEALTH AND MENTAL
29 HYGIENE OR THE SECRETARY'S DESIGNEE;

30 (II) ONE SHALL BE THE SECRETARY OF AGRICULTURE OR THE
31 SECRETARY'S DESIGNEE;

32 (III) ONE SHALL BE THE SUPERINTENDENT OF EDUCATION OR THE
33 SUPERINTENDENT'S DESIGNEE;

1 (IV) ONE SHALL BE THE SECRETARY OF BUDGET AND
2 MANAGEMENT OR THE SECRETARY'S DESIGNEE;

3 (V) ONE SHALL BE A MEMBER OF THE SENATE OF MARYLAND,
4 DESIGNATED BY THE PRESIDENT OF THE SENATE;

5 (VI) ONE SHALL BE A MEMBER OF THE MARYLAND HOUSE OF
6 DELEGATES, DESIGNATED BY THE SPEAKER OF THE HOUSE OF DELEGATES;

7 (VII) ONE SHALL BE A MEMBER OF THE BOARD OF THE MARYLAND
8 HEALTH CARE FOUNDATION, DESIGNATED BY THE BOARD;

9 (VIII) ONE SHALL BE A ~~REPRESENTATIVE OF SMOKE FREE~~
10 ~~MARYLAND, INC.~~ MEMBER OF THE GENERAL PUBLIC WITH KNOWLEDGE OF PUBLIC
11 HEALTH, APPOINTED BY THE GOVERNOR; AND

12 (IX) ONE SHALL BE A ~~REPRESENTATIVE OF THE MARYLAND FARM~~
13 ~~BUREAU~~ MEMBER OF THE GENERAL PUBLIC WITH WORKING KNOWLEDGE OF
14 AGRICULTURE, APPOINTED BY THE GOVERNOR;

15 (X) ONE SHALL BE A REPRESENTATIVE OF THE
16 AFRICAN-AMERICAN POPULATION, APPOINTED BY THE GOVERNOR;

17 (XI) ONE SHALL BE A REPRESENTATIVE OF THE HISPANIC
18 POPULATION, APPOINTED BY THE GOVERNOR;

19 (XII) ONE SHALL BE A REPRESENTATIVE OF THE POPULATION WHO
20 ARE WOMEN, APPOINTED BY THE GOVERNOR; AND

21 (XIII) ONE SHALL BE A REPRESENTATIVE OF THE PERSONS WHO
22 EDUCATE OR COUNSEL YOUTHS UNDER THE AGE OF 18 YEARS, APPOINTED BY THE
23 GOVERNOR.

24 (4) A MEMBER OF THE ADVISORY COUNCIL MAY NOT RECEIVE
25 COMPENSATION BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
26 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

27 (5) EXCEPT FOR THE EX OFFICIO MEMBERS OR THEIR DESIGNEES:

28 (I) THE TERM OF A MEMBER IS 4 YEARS;

29 (II) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE
30 UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES; AND

31 (III) A MEMBER WHO IS APPOINTED AFTER A TERM IS BEGUN
32 SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
33 QUALIFIES.

34 (6) THE GOVERNOR SHALL SELECT A MEMBER TO SERVE AS CHAIRMAN.

1 (7) ON OR BEFORE OCTOBER OF EACH YEAR, THE ADVISORY PANEL
2 SHALL:

3 (I) ASSESS AND DETERMINE THE RESPECTIVE NEEDS OF THE
4 CITIZENS OF THE STATE AND DEVELOP RECOMMENDATIONS FOR THE ALLOCATION
5 AND DISBURSEMENT OF FUNDS IN ACCORDANCE WITH THOSE NEEDS PURSUANT TO
6 THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION; AND

7 (II) SUBJECT TO SUBSECTION (F)(1) OF THIS SECTION, AND
8 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, PREPARE AND SUBMIT TO THE
9 SECRETARY A BUDGET PROPOSAL FOR THE NEXT FISCAL YEAR THAT INCLUDES THE
10 ESTIMATED AVAILABLE FUNDS AND PROPOSED EXPENDITURES FROM THE
11 CIGARETTE RESTITUTION FUND, REFLECTING THOSE RECOMMENDATIONS FUND
12 FOR THE FOLLOWING PURPOSES:

13 1. REDUCTION OF THE USE OF TOBACCO PRODUCTS BY
14 PERSONS UNDER THE AGE OF 18 YEARS;

15 2. ALTERNATIVE CROP USES FOR AGRICULTURAL LAND
16 NOW USED FOR GROWING TOBACCO;

17 3. PUBLIC EDUCATION CAMPAIGNS TO DECREASE TOBACCO
18 USE;

19 4. SMOKING CESSATION PROGRAMS;

20 5. ENFORCEMENT OF THE LAWS REGARDING TOBACCO
21 SALES;

22 6. THE PURPOSES OF THE MARYLAND HEALTH CARE
23 FOUNDATION UNDER TITLE 20, SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;
24 AND

25 7. PREVENTION AND TREATMENT RESEARCH RELATING TO
26 TOBACCO PRODUCT USE AND TOBACCO CONTROL; AND

27 8. ANY OTHER PUBLIC PURPOSE.

28 (8) THE SECRETARY OF HEALTH AND MENTAL HYGIENE IN PREPARING
29 THE PROPOSED BUDGET FOR THE CIGARETTE RESTITUTION FUND SHALL REVIEW
30 AND CONSIDER THE RECOMMENDATIONS AND PROPOSED BUDGET SUBMITTED BY
31 THE ADVISORY PANEL.

32 (9) THE PROVISIONS OF THIS SUBSECTION MAY NOT BE CONSTRUED TO
33 AFFECT THE GOVERNOR'S POWERS WITH RESPECT TO A REQUEST FOR AN
34 APPROPRIATION IN THE BUDGET BILL.

35 (10) THOSE AVAILABLE FUNDS NOT ALLOCATED BY THE GOVERNOR FOR
36 EXPENDITURE ON THE PURPOSES IN PARAGRAPH (7) (II) OF THIS SUBSECTION MAY
37 BE SPENT ON ANY OTHER PURPOSES PERMITTED BY LAW.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 1998.