
By: **Senator Green**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tobacco Restitution Fund**

3 FOR the purpose of establishing a Tobacco Restitution Fund; establishing certain
4 qualities of the Fund; requiring that certain funds be credited to the Fund;
5 requiring the Treasurer to perform certain responsibilities regarding Fund
6 holdings and earnings; requiring that expenditures from the Fund be made by
7 appropriation; providing certain restrictions on the expenditure and use of Fund
8 holdings; providing for the construction of a certain part of this Act; and
9 generally relating to the Tobacco Restitution Fund.

10 BY adding to

11 Article - State Finance and Procurement

12 Section 7-317

13 Annotated Code of Maryland

14 (1995 Replacement Volume and 1998 Supplement)

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

17 **Article - State Finance and Procurement**

18 7-317.

19 (A) THERE IS A TOBACCO RESTITUTION FUND.

20 (B) (1) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
21 SUBJECT TO § 7-302 OF THIS SUBTITLE.

22 (2) ALL REVENUES CONSISTING OF FUNDS RECEIVED BY THE STATE
23 FROM ANY SOURCE RESULTING, DIRECTLY OR INDIRECTLY, FROM ANY JUDGMENT
24 AGAINST OR SETTLEMENT WITH TOBACCO PRODUCT MANUFACTURERS, TOBACCO
25 RESEARCH ASSOCIATIONS, OR ANY OTHER PERSON IN THE TOBACCO INDUSTRY
26 RELATING TO LITIGATION, ADMINISTRATIVE PROCEEDINGS, OR ANY OTHER CLAIMS
27 MADE OR PROSECUTED BY THE STATE TO RECOVER DAMAGES FOR VIOLATIONS OF
28 STATE LAW SHALL BE CREDITED TO THE FUND.

1 (C) THE TREASURER SHALL:

2 (1) INVEST AND REINVEST FUND HOLDINGS IN THE SAME MANNER AS
3 OTHER STATE FUNDS; AND

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

5 (D) EXPENDITURES FROM THE FUND SHALL BE MADE BY AN APPROPRIATION
6 IN THE ANNUAL STATE BUDGET.

7 (E) (1) THE FUND SHALL BE EXPENDED SUBJECT TO ANY RESTRICTIONS ON
8 ITS USE OR OTHER LIMITATIONS ON ITS ALLOCATION THAT ARE:

9 (I) EXPRESSLY PROVIDED BY STATUTE;

10 (II) REQUIRED AS A CONDITION OF THE ACCEPTANCE OF FUNDS;
11 OR

12 (III) NECESSARY TO AVOID RECOUPMENT BY THE FEDERAL
13 GOVERNMENT OF MONEY PAID TO THE FUND.

14 (2) DISBURSEMENTS FROM THE FUND TO PROGRAMS FUNDED BY THE
15 STATE OR WITH FEDERAL FUNDS ADMINISTERED BY THE STATE SHALL BE USED
16 SOLELY TO SUPPLEMENT, AND NOT TO SUPPLANT, FUNDS OTHERWISE AVAILABLE
17 FOR THE PROGRAMS UNDER FEDERAL OR STATE LAW.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 1999.