
By: **Delegate Guns**

Introduced and read first time: February 24, 2000

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Cigarette Restitution Fund - Legislative Review of Proposed Plan for**
3 **Expenditures**

4 FOR the purpose of requiring the Governor to prepare, by a certain date, a statewide
5 plan for accessing funds made available as a result of the Master Tobacco
6 Settlement Agreement; requiring certain committees of the General Assembly to
7 review the plan; requiring the committees to issue a report to the General
8 Assembly on or before a certain date that contains recommendations for
9 amending the statewide plan and for legislation refining the requirements and
10 limitations relating to the purposes of the Cigarette Restitution Fund law and
11 the funding of projects through the Fund; requiring the General Assembly to
12 consider legislation relating to the recommendations during the next legislative
13 session; allowing the Governor, after the effective date of this Act, to allocate
14 moneys in the Cigarette Restitution Fund only for fiscal years beginning on or
15 after a certain date; and generally relating to expenditures of moneys in the
16 Cigarette Restitution Fund and the statewide plan for accessing funds made
17 available under the Master Tobacco Settlement Agreement.

18 BY repealing and reenacting, with amendments,
19 Article - State Finance and Procurement
20 Section 7-317
21 Annotated Code of Maryland
22 (1995 Replacement Volume and 1999 Supplement)

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

25 **Article - State Finance and Procurement**

26 7-317.

27 (a) There is a Cigarette Restitution Fund.

28 (b) (1) The Fund is a continuing, nonlapsing fund that is not subject to §
29 7-302 of this subtitle.

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

7 (c) The Treasurer shall:

8 (1) invest and reinvest the Fund in the same manner as other State
9 funds; and

10 (2) credit any investment earnings to the Fund.

11 (d) Expenditures from the Fund shall be made by an appropriation in the
12 annual State budget.

13 (e) (1) The Fund shall be expended subject to any restrictions on its use or
14 other limitations on its allocation that are:

15 (i) expressly provided by statute;

16 (ii) required as a condition of the acceptance of funds; or

17 (iii) determined to be necessary to avoid recoupment by the federal
18 government of money paid to the Fund.

19 (2) Disbursements from the Fund to programs funded by the State or
20 with federal funds administered by the State shall be used solely to supplement, and
21 not to supplant, funds otherwise available for the programs under federal or State law
22 as provided in this section.

23 (f) (1) Expenditures from the Cigarette Restitution Fund shall be made for
24 the following purposes:

25 (i) reduction of the use of tobacco products by minors;

26 (ii) 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
29 for growing tobacco;

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

33 (iv) smoking cessation programs;

34 (v) enforcement of the laws regarding tobacco sales;

1 (vi) the purposes of the Maryland Health Care Foundation under
2 Title 20, Subtitle 5 of the Health - General Article;

3 (vii) primary health care in rural areas of the State and areas
4 targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco
5 products;

6 (viii) prevention, treatment, and research concerning cancer, heart
7 disease, lung disease, tobacco product use, and tobacco control, including operating
8 costs and related capital projects;

9 (ix) substance abuse treatment and prevention programs; and

10 (x) any other public purpose.

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

14 (g) (1) (I) Amounts may only be expended from the Fund through
15 appropriations in the State budget bill FOR FISCAL YEARS BEGINNING ON OR AFTER
16 JULY 1, 2001.

17 (II) EXPENDITURES SHALL BE MADE as provided in this subsection.

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

21 (3) For each fiscal year for which appropriations are made, at least 50%
22 of the appropriations shall be made for those purposes enumerated in subsection
23 (f)(1)(i) through (ix) of this section subject to the requirement of subsection (e)(2) of
24 this section.

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

27 (h) For each program, project or activity receiving funds appropriated under
28 subsection (g)(3) of this section, the Governor shall:

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

33 (2) report annually, subject to § 2-1246 of the State Government Article,
34 to the General Assembly no later than October 1 on:

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

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

3 (I) (1) ON OR BEFORE OCTOBER 1, 2000, THE GOVERNOR SHALL:

4 (I) PREPARE A STATEWIDE PLAN FOR ACCESSING FUNDS MADE
5 AVAILABLE UNDER THE MASTER TOBACCO SETTLEMENT AGREEMENT; AND

6 (II) SUBMIT THE PLAN TO THE GENERAL ASSEMBLY FOR REVIEW
7 BY THE HOUSE APPROPRIATIONS AND WAYS AND MEANS COMMITTEES AND THE
8 SENATE BUDGET AND TAXATION AND FINANCE COMMITTEES.

9 (2) AFTER REVIEWING THE PLAN AND ON OR BEFORE JANUARY 1, 2001,
10 THE REVIEWING COMMITTEES SHALL:

11 (I) CONSULT WITH THE HOUSE ECONOMIC MATTERS AND
12 ENVIRONMENTAL MATTERS COMMITTEES AND THE SENATE ECONOMIC AND
13 ENVIRONMENTAL AFFAIRS COMMITTEE; AND

14 (II) ISSUE A JOINT REPORT TO THE MEMBERS OF THE GENERAL
15 ASSEMBLY THAT CONTAINS RECOMMENDATIONS FOR:

16 (I) AMENDMENTS TO THE PLAN; AND

17 (II) LEGISLATION TO BE INTRODUCED IN THE 2001 LEGISLATIVE
18 SESSION TO FURTHER REFINE THE REQUIREMENTS AND LIMITATIONS OF THIS
19 SECTION RELATING TO THE PURPOSES OF THE CIGARETTE RESTITUTION FUND AND
20 THE FUNDING OF PROJECTS THROUGH THE FUND.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2000.