
By: **Senator Green**

Introduced and read first time: January 30, 2001

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 14, 2001

CHAPTER _____

1 AN ACT concerning

2 **Tobacco Product Manufacturers - Master Settlement Agreement - Model**
3 **Statute Corrective Bill**

4 FOR the purpose of correcting certain errors and omissions in a prior enactment of
5 the General Assembly to conform the enactment to the model statute provided
6 by the Master Settlement Agreement between the State of Maryland and certain
7 tobacco product manufacturers in the United States; making this Act an
8 emergency measure; and generally relating to conforming a prior enactment of
9 the General Assembly to a certain model statute.

10 BY repealing and reenacting, without amendments,
11 Chapter 169 of the Acts of the General Assembly of 1999
12 Section 1 2(f)

13 BY repealing and reenacting, with amendments,
14 Chapter 169 of the Acts of the General Assembly of 1999
15 Section 1 2(j) and 3(a)

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

18 **Chapter 169 of the Acts of 1999**

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

1 2. (f) "Master Settlement Agreement" means the settlement agreement
2 and related documents entered into on November 23, 1998, by the State and leading
3 United States tobacco product manufacturers.

4 (j) (1) "Tobacco product manufacturer" means an entity that, after the
5 date of enactment of this Act, directly and not exclusively through any affiliate:

6 (i) manufactures cigarettes anywhere that the manufacturer
7 intends them to be sold in the United States, including cigarettes intended to be sold
8 in the United States through an importer (except where such importer is an original
9 participating manufacturer [as] (AS that term is defined in the Master Settlement
10 Agreement) that will be responsible for the payments under the Master Settlement
11 Agreement with respect to such cigarettes as a result of the provisions of subsection
12 II(mm) of the Master Settlement Agreement and that pays the taxes specified in
13 subsection II(z) of the Master Settlement Agreement, and provided that the
14 manufacturer of the cigarettes does not market or advertise the cigarettes in the
15 United [States] STATES);

16 (ii) is the first purchaser anywhere for resale in the United
17 States of cigarettes manufactured anywhere that the manufacturer does not intend to
18 be sold in the United States; or

19 (iii) becomes a successor of an entity described in
20 subparagraph (i) or (ii) of this paragraph or paragraph (2) of this subsection.

21 (2) The term "tobacco product manufacturer" shall not include an
22 affiliate of a tobacco product manufacturer unless such affiliate itself falls within any
23 provisions of subparagraph (i), (ii), or (iii) of paragraph (1) of this subsection.

24 3. (a) Any tobacco product manufacturer that sells cigarettes to consumers
25 within the State, whether directly or through a distributor, retailer, or similar
26 intermediary or intermediaries, after the effective date of this Act, shall either:

27 (1) become a participating manufacturer, as that term is defined in
28 section II(jj) of the Master Settlement Agreement, and generally perform its financial
29 obligations under the Master Settlement Agreement; or

30 (2) place into a qualified escrow fund by April 15 of the year
31 following the year in question the following amounts, as such amounts are adjusted
32 for inflation:

33 (i) for 1999, \$.0094241 per unit sold after the date of
34 enactment of this Act;

35 (ii) for 2000, \$.0104712 per unit sold [after the date of
36 enactment of this Act];

37 (iii) for each of 2001 and 2002, \$.0136125 per unit sold [after
38 the date of enactment of this Act];

1 (iv) for each of 2003, 2004, 2005, and 2006, \$.0167539 per unit
2 sold [after the date of enactment of this Act]; and

3 (v) for 2007 and each year thereafter, \$.0188482 per unit sold
4 [after the date of enactment of this Act].

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an
6 emergency measure, is necessary for the immediate preservation of the public health
7 and safety, has been passed by a ye and nay vote supported by three-fifths of all the
8 members elected to each of the two Houses of the General Assembly, and shall take
9 effect from the date it is enacted.