

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 320

(Senator Green)

Judicial Proceedings

Appropriations

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

This emergency bill makes corrections to the model statute provided as part of the Master Settlement Agreement between the State and certain tobacco manufacturers.

Fiscal Summary

State Effect: None. The changes are stylistic and corrective in nature.

Local Effect: None.

Small Business Effect: None.

Analysis

Background: The November 1998 Master Settlement Agreement (MSA) between the states and the major tobacco manufacturers contained a model statute provision. The model statute provision requires manufacturers that are not a party to the MSA to pay into a qualified escrow an amount based on the cigarettes sold in the State. Per the MSA, states that do not enact a model statute will have their payments from the MSA reduced. For the annual payment made on April 15, 2000, 16 states without model statutes had their payments reduced by 3%. The FY 2002 allocation for the Cigarette Restitution Fund is \$152.8 million with \$27.0 million contingent upon resolution of the legal fee issue.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General, Department of Health and Mental Hygiene, Department of Budget and Management, Department of Legislative Services

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