

**HOUSE BILL 841**  
**EMERGENCY BILL**

Unofficial Copy  
B1

2002 Regular Session  
2lr2562  
CF 2lr2546

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By: **Delegate Taylor**  
Introduced and read first time: February 7, 2002  
Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Tobacco Settlement Moneys - Attorneys Fees**

3 FOR the purpose of establishing a Special Reserve Fund to retain certain State  
4 revenues for future needs; requiring that certain moneys received during certain  
5 fiscal years by the State related to the settlement of certain litigation against  
6 tobacco manufacturers be credited to the Fund; providing that except as  
7 provided moneys in the Fund shall be retained in reserve and may not be spent  
8 for any purposes; providing that on a certain date the balance of the Fund shall  
9 be credited to a certain fund; making this Act an emergency measure; and  
10 generally relating to the establishment of a Special Reserve Fund to retain  
11 certain moneys received related to certain tobacco litigation against certain  
12 tobacco manufacturers.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That:

15 (a) (1) In this section the following words have the meanings indicated.

16 (2) "Attorneys fees litigation" means:

17 (i) The case of State of Maryland, et al v. Law Offices of Peter G.  
18 Angelos, P.C., Circuit Court of Baltimore City, No. 24-C-99-005702; and

19 (ii) The appeals of the Law Offices of Peter G. Angelos, and  
20 Professional Corporation, before the Maryland State Board of Contract Appeals,  
21 MSBCA Nos. 2161 and 2168.

22 (3) "Fund" means the Special Reserve Fund established under this  
23 section.

24 (4) "Tobacco settlement moneys" means moneys received by the State  
25 from any source resulting, directly or indirectly, from any judgment against or  
26 settlement with tobacco product manufacturers, tobacco research associations, or any  
27 other person in the tobacco industry relating to litigation, administrative proceedings,  
28 or any other claims made or prosecuted by the State to recover damages for violations  
29 of State law.

1 (b) (1) A Special Reserve Fund is established to retain State revenues for  
2 future needs as provided in this section.

3 (2) The Fund is a continuing, nonlapsing fund which is not subject to §  
4 7-302 of the State Finance and Procurement Article.

5 (3) The Fund consists of the moneys distributed to the Fund under  
6 subsection (c) of this section.

7 (4) The Treasurer shall separately hold, and the Comptroller shall  
8 account for, the Fund.

9 (5) (i) The Fund shall be invested and reinvested in the same manner  
10 as other State funds.

11 (ii) Any investment earnings shall be credited to the Fund.

12 (c) Notwithstanding § 7-317(b)(2) of the State Finance and Procurement  
13 Article or any other provision of law, for each of fiscal years 2002 and 2003 only, there  
14 shall be credited to the Fund any moneys received by the State during the fiscal year  
15 from any of the following sources:

16 (1) Payments made by tobacco manufacturers for the State's legal fees  
17 and costs for outside counsel in the State's litigation against tobacco manufacturers,  
18 as determined by an arbitration panel established under the Master Settlement  
19 Agreement dated November 23, 1998, through which that litigation was settled, in  
20 excess of any of these moneys that the State is required to pay to the Law Offices of  
21 Peter G. Angelos, P.C. during the fiscal year under a decision or settlement resolving  
22 the attorneys fees litigation;

23 (2) Any disbursement to the State as a result of a decision or settlement  
24 resolving the attorneys fees litigation from the joint escrow account established in the  
25 name of the State of Maryland and the Law Offices of Peter G. Angelos, P.C., by the  
26 Circuit Court of Baltimore City in the case of Maryland v. Phillip Morris Inc., et al,  
27 Circuit Court for Baltimore City, No. 96-112017-CL211487, in excess of any of these  
28 moneys that the State is required to pay to the Law Offices of Peter G. Angelos, P.C.  
29 during the fiscal year under the decision or settlement resolving the attorneys fees  
30 litigation;

31 (3) Any amounts paid to the State from the Law Offices of Peter G.  
32 Angelos, P.C. as a result of a decision or settlement resolving the attorneys fees  
33 litigation; and

34 (4) Of any tobacco settlement moneys paid to the State after a decision  
35 or settlement resolving the attorneys fees litigation, the portion of the payment that  
36 but for the decision or settlement resolving the attorneys fees litigation would have  
37 been distributed to the joint escrow account described in item (2) of this subsection, in  
38 excess of any of these moneys that the State is required to pay to the Law Offices of  
39 Peter G. Angelos, P.C. during the fiscal year under the decision or settlement  
40 resolving the attorneys fees litigation.

1 (d) Except as otherwise provided in this Act, moneys in the Fund shall be  
2 retained in reserve and may not be spent for any purpose.

3 (e) On July 1, 2003 the entire balance of the Fund shall be credited to the  
4 Revenue Stabilization Fund of the State Reserve Fund.

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