



DATE

The Honorable Marc Korman  
Chair, Environment and Transportation Committee  
Room 251, House Office Building  
Annapolis, MD 21401-19911

**RE: HB 812 – Tri-County Council for Southern Maryland - Southern Maryland Agricultural Development Commission - Funding – Letter of Opposition**

Dear Chair Korman:

The Maryland State Council on Cancer Control (Cancer Council) is submitting this letter of opposition for House Bill 812 (HB 812) – Tri-County Council for Southern Maryland - Southern Maryland Agricultural Development Commission - Funding. HB 812 increases the annual Cigarette Restitution Fund (CRF) allocation to the Tri-County Council for Southern Maryland (Tri-County Council) from \$900,000 to \$1,000,000 beginning in fiscal year (FY) 2025. In addition, HB 812 allows the Governor to allocate in the annual budget bill up to five percent of the yearly Master Settlement Agreement (MSA) payment made from tobacco companies to Maryland to the Tri-County Council. While the bill aims to support the Tri-County Council's Southern Maryland Agricultural Development Commission (SMADC), the Cancer Council expresses concerns about its potential impact on critical public health programs.

**Key Concerns:**

- **Reduced Funding for Tobacco Control:** HB 812 allows allocating up to 5% of the annual Master Settlement Agreement (MSA) payment to the Tri-County Council. This could decrease funding available for Maryland Department of Health (Department) programs like tobacco prevention, cancer initiatives, and substance abuse treatment, already underfunded compared to CDC recommendations<sup>1,2</sup>. For example, with FY 2024's MSA payment, this diversion would exceed \$10 million<sup>3</sup>.
- **Unclear Expenditure Justification:** The Tri-County Council was established for tobacco farmer crop conversion, completed by 2005<sup>4</sup>. While HB 812 mandates SMADC funding, the current use of existing funds and their connection to tobacco control remain unclear. Transparency and alignment with public health goals are crucial<sup>5</sup>.

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<sup>1</sup> Chapter 172 of the Acts of 1999 (SB 334). Accessed 9 Feb 2024 at <https://mgaleg.maryland.gov/mgawebsite/Search/Legislation?target=/1999rs/billfile/sb0334.htm>.

<sup>2</sup> Chapter 173 of the Acts of 1999 (HB 751). Accessed 9 Feb 2024 at <https://mgaleg.maryland.gov/mgawebsite/Search/Legislation?target=/1999rs/billfile/hb0751.htm>.

<sup>3</sup> Department of Budget and Management, "Exhibit H - Cigarette Restitution Fund - Fiscal Year 2024," Accessed 9 Feb 2024 at <https://dbm.maryland.gov/budget/FY2024FiscalDigest/Exhibit-H-Fiscal-Digest-CRF-FY24.pdf>.

<sup>4</sup> Southern Maryland Agricultural Development Commission, "2023 Annual Report," 2023, Accessed 9 Feb 2024 at <https://online.flippingbook.com/link/195632/>.

<sup>5</sup> Md. Ann. Code State Finance and Procurement Art., § 7-317 (2023). Accessed 9 Feb 2024 at <https://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gsf&section=7-317&enactments=false>.



- **Precedence for CRF Diversion:** Passing HB 812 might set a precedent for diverting Cigarette Restitution Fund (CRF) resources away from its intended purpose – public health initiatives. The CRF was established specifically for these programs, and MDH urges its protection<sup>1, 2</sup>.

**Recommendations:**

1. **Maintain CRF Integrity:** Ensure CRF funds are solely directed towards established public health priorities, as originally intended.
2. **Transparent Council Funding:** Require the Tri-County Council to report to the General Assembly on how CRF funds are used, ensuring alignment with statutory requirements and public health objectives<sup>5</sup>.
3. **Alternative Funding Solutions:** Explore alternative funding avenues for the Tri-County Council's activities, outside of the CRF, which is vital for public health programs.

The Cancer Council is opposed to HB 812 as written as it would reduce funding to critical CRF programs. While the Cancer Council recognizes the importance of supporting Southern Maryland's agricultural development, it urges prioritizing the critical public health programs funded by the CRF. Alternative funding solutions and transparent use of resources are essential for addressing both needs effectively.

Sincerely,

A handwritten signature in black ink that reads "Kevin J. Cullen, MD". The signature is written in a cursive, slightly slanted style.

Kevin Cullen, MD  
Chair,  
Maryland State Council on Cancer Control