

SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2000, with no further action required by the General Assembly, Section 3 of this Act shall be abrogated and of no further force and effect.

SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1999.

Approved April 27, 1999.

CHAPTER 169

(Senate Bill 305)

AN ACT concerning

**Tobacco Product Manufacturers - Settlement of State Claims -
Nonparticipating Manufacturers - Deposits of Funds in Escrow - Model
Statute**

FOR the purpose of enacting the model statute provided by the Master Settlement Agreement between the State of Maryland and certain tobacco product manufacturers in the United States to create a reserve fund for a certain purpose for those manufacturers who do not enter into the settlement; requiring tobacco product manufacturers that sell cigarettes to consumers in the State to either become a participant in the settlement agreement or to deposit certain amounts of funds, calculated on the basis of certain formulas, into escrow accounts in certain financial institutions for certain years; providing for the circumstances under which the funds in the escrow accounts may be released; requiring tobacco product manufacturers who place funds in escrow accounts to make a certain annual certification to the Attorney General; providing for certain penalties for those manufacturers who fail to comply with the certification requirement; providing that the penalties shall be paid over to the General Fund of the State; and relating generally to tobacco product manufacturers and certain required deposits of funds into escrow accounts.

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

1. Findings and Purpose.

(a) Cigarette smoking presents serious public health concerns to the State and to the citizens of the State. The United States Surgeon General has determined that smoking causes lung cancer, heart disease, and other serious diseases, and that there are hundreds of thousands of tobacco-related deaths in the United States each year. These diseases most often do not appear until many years after the person in question begins smoking.

(b) Cigarette smoking also presents serious financial concerns for the State. Under certain health care programs, the State may have a legal obligation to provide