

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

(2) ~~deposit place~~ into a qualified escrow fund by April 15 of the year ~~after the year specified in each of items (i) through (v) of this paragraph~~ following the year in question the following amounts, as such amounts are adjusted for inflation:

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

(ii) for 2000, \$.0104712 per unit sold after the ~~effective date~~ date of enactment of this Act;

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

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

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

(b) (1) A tobacco product manufacturer that ~~deposits~~ places funds into escrow in accordance with subsection (a)(2) of this section shall receive the interest or other appreciation on the funds as earned.

(2) The funds themselves shall be released from escrow only under the following circumstances:

(i) to pay a judgment or settlement on any released claim brought against such tobacco product manufacturer by the State or any releasing party located or residing in the State, ~~provided that funds.~~ Funds shall be released from escrow under this subparagraph:

1. in the order in which they were placed into escrow; and
2. only to the extent and at the time necessary to make payments required under ~~the~~ such judgment or settlement; or

(ii) ~~to allow the reversion of excess funds to the tobacco product manufacturer to the extent that the manufacturer establishes that the amount it was required to deposit into escrow in a particular year, had the manufacturer been a participating manufacturer, was greater than the State's allocable share of the total payments that the manufacturer would have been required to make in that year under the Master Settlement Agreement, as determined in accordance with section IX(i)(2) of the Master Settlement Agreement and before any of the adjustments or offsets described in section IX(i)(3) of that Agreement other than the inflation adjustment.~~

(ii) to the extent that a tobacco product manufacturer establishes that the amount it was required to place into escrow in a particular year was greater