

## Section 7-317

Annotated Code of Maryland

(1995 Replacement Volume and 1998 Supplement)

Preamble

WHEREAS, The State of Maryland has agreed to the settlement of litigation against tobacco manufacturers; and

WHEREAS, The basis of the tobacco settlement is injury to State finances caused by smoking-related illnesses of Maryland citizens; and

WHEREAS, The federal government may seek recoupment of a portion of the tobacco settlement revenues if those revenues are not used for certain purposes; and

WHEREAS, African American publications contain approximately 12% more cigarette advertising than other widespread publications and the density of tobacco billboard advertising is consistently highest in African American communities; and

WHEREAS, The General Assembly finds it is necessary to establish a process to account for and allocate the tobacco settlement funds in a manner that meets critical needs and retains State control of the funds; now, therefore,

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

**Article - State Finance and Procurement**

7-317.

(A) THERE IS A ~~TOBACCO~~ CIGARETTE RESTITUTION FUND.

(B) (1) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THIS SUBTITLE.

(2) THERE SHALL BE CREDITED TO THE FUND ALL REVENUES CONSISTING OF FUNDS RECEIVED BY THE STATE FROM ANY SOURCE RESULTING, DIRECTLY OR INDIRECTLY, FROM ANY JUDGMENT AGAINST OR SETTLEMENT WITH TOBACCO PRODUCT MANUFACTURERS, TOBACCO RESEARCH ASSOCIATIONS, OR ANY OTHER PERSON IN THE TOBACCO INDUSTRY RELATING TO LITIGATION, ADMINISTRATIVE PROCEEDINGS, OR ANY OTHER CLAIMS MADE OR PROSECUTED BY THE STATE TO RECOVER DAMAGES FOR VIOLATIONS OF STATE LAW ~~SHALL BE CREDITED TO THE FUND.~~

(C) THE TREASURER SHALL:

(1) INVEST AND REINVEST FUND ~~HOLDINGS~~ IN THE SAME MANNER AS OTHER STATE FUNDS; AND

(2) CREDIT ANY INVESTMENT EARNINGS TO THE FUND.

(D) EXPENDITURES FROM THE FUND SHALL BE MADE BY AN APPROPRIATION IN THE ANNUAL STATE BUDGET.