

than the State's allocable share of the total payments that such manufacturer would have been required to make in that year under the Master Settlement Agreement (as determined pursuant to 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) had it been a participating manufacturer, the excess shall be released from escrow and revert back to such tobacco manufacturer; or

~~(3) To~~ (iii) to the extent funds are not released from escrow under subparagraph (i) or (ii) of paragraph (2) of this subsection, funds shall be released from escrow and revert to ~~the~~ such tobacco product manufacturer 25 years after the date on which they were placed into escrow.

(c) (1) ~~A~~ Each tobacco product manufacturer that elects to place funds into escrow ~~under~~ pursuant to subsection (a)(2) of this section shall annually certify to the Attorney General that it is in compliance with ~~this section~~ § 3(a)(2) and (b).

(2) The Attorney General may bring a civil action on behalf of the State against any tobacco product manufacturer that fails to place into escrow the funds required under this section.

(3) (i) Any tobacco product manufacturer that fails in any year to place into escrow the funds required under this section shall be required within 15 days to place ~~the~~ such funds into escrow ~~to~~ as will bring the manufacturer into compliance with this section.

(ii) The court, upon a finding of a violation of ~~this section~~ § 3(a)(2) or (b), may impose a civil penalty, to be paid to the General Fund of the State:

1. in an amount not to exceed 5 percent of the amount improperly withheld from escrow per day of the violation; and

2. in a total amount not to exceed 100 percent of the original amount improperly withheld from escrow.

(4) (i) If a tobacco product manufacturer has knowingly violated ~~this section~~ § 3(a)(2) or (b), the manufacturer shall be required within 15 days to place ~~the~~ such funds into escrow ~~to~~ as will bring it into compliance with this section.

(ii) Upon a finding of a knowing violation of ~~this section~~ § 3(a)(2) or (b), the court may impose a civil penalty, to be paid to the General Fund of the State:

1. in an amount not to exceed 15 percent of the amount improperly withheld from escrow per day of the violation; and

2. in a total amount not to exceed 300 percent of the original amount improperly withheld from escrow.

(5) In the case of a second knowing violation of ~~this section~~ § 3(a)(2) or (b), the tobacco product manufacturer shall be prohibited from selling cigarettes to consumers within the State, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, for a period not to exceed 2 years.