

# HOUSE BILL 442

M3, B1

EMERGENCY BILL

7lr1206

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By: **Delegates Robinson, Fraser-Hidalgo, Barkley, Lam, and Reznik**

Introduced and read first time: January 26, 2017

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Volkswagen Settlement Funds – Use of Environmental Mitigation Trust**

3 FOR the purpose of establishing the Volkswagen Settlement Fund as a special, nonlapsing  
4 fund; specifying the purpose of the Fund; requiring the Department of the  
5 Environment and the Maryland Energy Administration to administer the Fund;  
6 requiring the State Treasurer to hold the Fund and the Comptroller to account for  
7 the Fund; specifying the contents of the Fund; specifying the purpose for which the  
8 Fund may be used; providing for the investment of money in and expenditures from  
9 the Fund; requiring that any interest earnings of the Fund be paid into the Fund;  
10 exempting the Fund from a certain provision of law that requires interest on State  
11 money in special funds to accrue to the General Fund of the State; defining certain  
12 terms; making this Act an emergency measure; and generally relating to the use of  
13 certain funds received under a certain settlement agreement.

14 BY repealing and reenacting, without amendments,  
15 Article – State Finance and Procurement  
16 Section 6–226(a)(2)(i) and 7–310.1  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2016 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – State Finance and Procurement  
21 Section 6–226(a)(2)(ii)94. and 95.  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2016 Supplement)

24 BY adding to  
25 Article – State Finance and Procurement  
26 Section 6–226(a)(2)(ii)96. and 7–329  
27 Annotated Code of Maryland  
28 (2015 Replacement Volume and 2016 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – State Finance and Procurement**

4 6–226.

5 (a) (2) (i) Notwithstanding any other provision of law, and unless  
6 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
7 terms of a gift or settlement agreement, net interest on all State money allocated by the  
8 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
9 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
10 Fund of the State.

11 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
12 to the following funds:

13 94. the Community Program Fund; [and]

14 95. the Maryland Corps Program Fund; AND

15 **96. THE VOLKSWAGEN SETTLEMENT FUND.**

16 7–310.1.

17 (a) Any money received by the State or otherwise subject to the direction or  
18 control of a State official, as a result of a settlement, judgment, or consent decree made or  
19 entered into after January 1, 2012:

20 (1) shall be deposited in the State treasury; and

21 (2) except for funds designated as restitution:

22 (i) shall be expended only as authorized in the State budget bill as  
23 enacted; and

24 (ii) may be transferred by budget amendment.

25 (b) In negotiating any State payment under any national or multistate  
26 settlement, judgment, or consent decree, a State official may recommend restrictions on the  
27 use of that State payment but shall also request that the settlement, judgment, or consent  
28 decree also provide that the funds may be used for any public purpose, to the extent that  
29 doing so is not inconsistent with the State or its citizens securing the maximum benefit  
30 from the settlement, judgment, or consent decree.

31 **7–329.**

1           (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3           (2) “ENVIRONMENTAL MITIGATION TRUST” MEANS THE FUND  
4 ESTABLISHED UNDER THE VOLKSWAGEN SETTLEMENT AGREEMENT TO BE USED TO  
5 MITIGATE EXCESS NITROGEN OXIDE EMISSIONS.

6           (3) “FUND” MEANS THE VOLKSWAGEN SETTLEMENT FUND.

7           (4) “VOLKSWAGEN SETTLEMENT AGREEMENT” MEANS THE  
8 SETTLEMENT APPROVED IN OCTOBER 2016 WITH AUTOMAKERS VOLKSWAGEN AG,  
9 AUDI AG, VOLKSWAGEN GROUP OF AMERICA, INC., AND VOLKSWAGEN GROUP OF  
10 AMERICA CHATTANOOGA OPERATIONS, LLC THAT PARTIALLY RESOLVES  
11 ALLEGATIONS THAT THE SALE OF CERTAIN MOTOR VEHICLES CONTAINING 2.0  
12 LITER DIESEL ENGINES EQUIPPED WITH DEFEAT DEVICES VIOLATED THE FEDERAL  
13 CLEAN AIR ACT.

14           (B) THERE IS A VOLKSWAGEN SETTLEMENT FUND.

15           (C) THE PURPOSE OF THE FUND IS TO RECEIVE REVENUE DISTRIBUTED TO  
16 ANY UNIT OF STATE GOVERNMENT FROM THE ENVIRONMENTAL MITIGATION TRUST.

17           (D) THE DEPARTMENT OF THE ENVIRONMENT AND THE MARYLAND  
18 ENERGY ADMINISTRATION JOINTLY SHALL ADMINISTER THE FUND.

19           (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
20 SUBJECT TO § 7-302 OF THIS TITLE.

21           (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,  
22 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

23           (F) THE FUND CONSISTS OF AND SHALL BE CREDITED WITH ALL REVENUES  
24 RECEIVED BY ANY UNIT OF STATE GOVERNMENT FROM THE ENVIRONMENTAL  
25 MITIGATION TRUST.

26           (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND  
27 MAY BE USED ONLY FOR ALLOWABLE PURPOSES UNDER THE ENVIRONMENTAL  
28 MITIGATION TRUST.

29           (2) AT LEAST 15% OF ALL REVENUE DISTRIBUTED TO THE FUND  
30 SHALL BE USED FOR THE ACQUISITION, INSTALLATION, OPERATION, AND  
31 MAINTENANCE OF LIGHT-DUTY ELECTRIC VEHICLE INFRASTRUCTURE.

1           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
2 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

3           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
4 **THE FUND.**

5           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
6 **WITH THE STATE BUDGET OR BUDGET AMENDMENT.**

7           SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
8 measure, is necessary for the immediate preservation of the public health or safety, has  
9 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
10 each of the two Houses of the General Assembly, and shall take effect from the date it is  
11 enacted.