

2005 SESSION

LEGISLATION NOT PREPARED BY DLS
INTRODUCED

059889792

SENATE BILL NO. 1331

Offered January 21, 2005

A BILL to enact §3.1-336.2:1 and §3.1-336.2:2 of the Code of Virginia, relating to assignment of escrow funds by non participating tobacco manufacturers.

Patron—Puckett

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 3.1-336.2:1 and 3.1-336.2:2 of the Code of Virginia are enacted as follows:

§ 3.1-336.2:1. Assignment to the Commonwealth of rights to tobacco manufacturer escrow funds.

A. Notwithstanding the provisions of subsection B of § 3.1-336.2, a tobacco product manufacturer who elects to place funds into escrow pursuant to subdivision A 2 of § 3.1-336.2 may make an irrevocable assignment of his interest in the funds to the benefit of the Commonwealth of Virginia. Such assignment shall be permanent and apply to all funds in the subject escrow account or that may subsequently come into such account, including those deposited into the escrow account prior to the assignment being executed, those deposited into the escrow account after the assignment is executed, and interest or other appreciation on such funds. The tobacco product manufacturer, the Attorney General, and the financial institution where the escrow account is maintained may make such amendments to the qualified escrow account agreement as may be necessary to effectuate an assignment of rights executed pursuant to this section or a withdrawal of funds from the escrow account pursuant to § 3.1-336.2:2. An assignment of rights executed pursuant to this section shall be in writing, signed by a duly authorized representative of the tobacco product manufacturer making the assignment, and shall become effective upon delivery of the assignment to the Attorney General and the financial institution where the escrow account is maintained.

§ 3.1-336.2:2. Withdrawal of escrow funds assigned to the Commonwealth; credit against judgment or settlement.

A. Notwithstanding the provisions of subsection B of § 3.1-336.2, any escrow funds assigned to the Commonwealth pursuant to § 3.1-336.2:1, may be withdrawn by the Commonwealth upon request by the Treasurer of the Commonwealth and approval of the Attorney General. Any funds withdrawn pursuant to this section shall be deposited into the Virginia Health Care Fund and shall be calculated on a dollar-for-dollar basis as a credit against any judgment or settlement described in subdivision B 1 of § 3.1-336.2:1 which may be obtained against the tobacco product manufacturer who has assigned the funds in the subject escrow account. Nothing in this article shall be construed to relieve a tobacco product manufacturer from any past, current, or future obligations he may have pursuant to Article 5 (§ 3.1-336.1 et seq.) or Article 6 (§ 3.1-336.3 et seq.) of this chapter.

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