

By: Senator(s) Hall, Bean, Burton

To: Public Health and
Welfare; Finance

SENATE BILL NO. 2610

1 AN ACT TO ESTABLISH A TOBACCO TRUST FUND IN THE STATE
2 TREASURY INTO WHICH SHALL BE DEPOSITED MONIES FROM THE SETTLEMENT
3 OF THE LAWSUIT AGAINST TOBACCO COMPANIES BY THE STATE OF
4 MISSISSIPPI; TO PROVIDE THAT THE PRINCIPAL OF THE TRUST FUND SHALL
5 REMAIN INVIOLETE AND SHALL NEVER BE EXPENDED; TO PROVIDE THAT 50%
6 OF THE MONIES IN THE TRUST FUND THAT ARE SUBJECT TO EXPENDITURE
7 SHALL BE EXPENDED EXCLUSIVELY FOR HEALTH ISSUES; TO PROVIDE THAT
8 MONIES IN THE TRUST FUND SHALL BE INVESTED IN ANY OF THE
9 INVESTMENTS AUTHORIZED FOR THE MISSISSIPPI PREPAID AFFORDABLE
10 COLLEGE TUITION PROGRAM; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 SECTION 1. This article shall be known and may be cited as
13 the "Mississippi Tobacco Trust Fund Act of 1999."

14 SECTION 2. It is declared by the Legislature that the monies
15 received by the State of Mississippi from tobacco companies in
16 settlement of a certain lawsuit brought against those companies by
17 the State of Mississippi, or as a result of the settlement of any
18 lawsuit brought against tobacco companies by another state, should
19 be applied toward improving the health, safety and well-being of
20 the citizens and residents of the state. It is the intent of the
21 Legislature by this article to provide the manner and means
22 necessary to carry out those purposes.

23 SECTION 3. When used in this article, the following
24 definitions shall apply, unless the context requires otherwise:

25 (a) "Act" means the Mississippi Tobacco Trust Fund Act
26 of 1999.

27 (b) "Tobacco Trust Fund" means the trust fund
28 established by Section 4 of this act for the deposit of the monies
29 received by the State of Mississippi as a result of the tobacco
30 settlement and any other monies as the state may determine are

31 appropriate.

32 (c) "Tobacco settlement" means the settlement of the
33 case of Mike Moore, Attorney General ex rel. State of Mississippi
34 v. The American Tobacco Company et al. (Chancery Court of Jackson
35 County, Mississippi, Cause No. 94-1429) and the settlement of any
36 case brought against tobacco companies by another state.

37 SECTION 4. (1) In accordance with the purposes of this
38 article, there is established in the State Treasury the Tobacco
39 Trust Fund, into which shall be deposited all monies that are
40 received by the State of Mississippi as a result of the tobacco
41 settlement for which the use or purpose for expenditure is not
42 restricted by the terms of the settlement, all interest earnings
43 on those monies, and any other monies as the state may determine
44 are appropriate. Fifty percent (50%) of the monies in the Tobacco
45 Trust Fund that are subject to expenditure shall be expended
46 exclusively for health issues, which shall include, but not be
47 limited to, the state's contribution to the Children's Health
48 Insurance Program authorized under Section 41-86-1 et seq.

49 (2) The principal of the Tobacco Trust Fund shall remain
50 inviolate and shall never be expended. The Legislature may
51 appropriate all of the income from the Tobacco Trust Fund in
52 furtherance of the purposes of this article, less six percent (6%)
53 of the annual income of the Tobacco Trust Fund, which shall be
54 added to the principal of the fund each year.

55 SECTION 5. (1) The State Treasurer shall invest the monies
56 of the Tobacco Trust Fund in any of the investments authorized for
57 the Mississippi Prepaid Affordable College Tuition Program under
58 Section 37-155-9, and those investments shall be subject to the
59 limitations prescribed by Section 37-155-9.

60 (2) All interest derived from investments and any gains from
61 the sale or exchange of investments shall be credited to the
62 account of the Tobacco Trust Fund.

63 (3) For the purpose of meeting disbursements for funding
64 health issues and the costs and expenses of administering the
65 Tobacco Trust Fund, cash may be kept available, not exceeding the
66 requirements of the Tobacco Trust Fund for a period of ninety (90)
67 days, on deposit in one or more banks or trust companies organized

68 under the laws of the State of Mississippi or the laws of the
69 United States, provided that the sum on deposit in any one (1)
70 bank or trust company shall not exceed thirty-five percent (35%)
71 of the paid-up capital and regular surplus of the bank or trust
72 company.

73 SECTION 6. Sections 1 through 5 of this act shall be
74 inserted as a new article in Title 43, Chapter 13, Mississippi
75 Code of 1972.

76 SECTION 7. This act shall take effect and be in force from
77 and after its passage.