

*****Pending*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 519

By Senator(s) Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

19 SECTION 1. It is declared by the Legislature that the monies
20 received by the State of Mississippi from tobacco companies in
21 settlement of a certain lawsuit brought against those companies by
22 the State of Mississippi, or as a result of the settlement of any
23 lawsuit brought against tobacco companies by another state, should
24 be applied toward improving the health and health care of the
25 citizens and residents of the state. It is the intent of the
26 Legislature by this article to provide the manner and means
27 necessary to carry out those purposes.

28 SECTION 2. When used in this article, the following
29 definitions shall apply, unless the context requires otherwise:

30 (a) "Health Care Principal Fund" means the trust fund
31 established by Section 3 of this act for the deposit of Two
32 Hundred Twenty-five Million Dollars (\$225,000,000.00) of the
33 monies received by the State of Mississippi as a result of the
34 tobacco settlement as of the end of Fiscal Year 1999 and
35 seventy-five percent (75%) of all tobacco settlement installment
36 payments made in subsequent years.

37 (b) "Health Care Expendable Fund" means the fund
38 established by Section 4 of this act for the deposit of all monies
39 in excess of Two Hundred Twenty-five Million Dollars

40 (\$225,000,000.00) received by the State of Mississippi as a result
41 of the tobacco settlement as of the end of Fiscal Year 1999, and
42 twenty-five percent (25%) of all tobacco settlement installment
43 payments made in subsequent years, including income earnings.

44 (c) "Income" means all interest and dividends derived
45 from the investment of any tobacco settlement funds and any
46 capital gains from the sale or exchange of such investments.

47 (d) "Tobacco settlement" means the settlement of the
48 case of Mike Moore, Attorney General ex rel. State of Mississippi
49 v. The American Tobacco Company et al. (Chancery Court of Jackson
50 County, Mississippi, Cause No. 94-1429) and the settlement of any
51 case brought against tobacco companies by another state.

52 SECTION 3. In accordance with the purposes of this article,
53 there is established in the State Treasury the Health Care
54 Principal Fund, into which shall be deposited Two Hundred
55 Twenty-five Million Dollars (\$225,000,000.00) of the monies
56 received by the State of Mississippi as a result of the tobacco
57 settlement as of the end of Fiscal Year 1999, and seventy-five
58 percent (75%) of all tobacco settlement installment payments made
59 in subsequent years. The Health Care Principal Fund shall remain
60 inviolate and shall never be expended. Provided, however, that if
61 the federal Health Care Finance Administration, or other agency of
62 the federal government, is successful in recouping tobacco
63 settlement funds from the State of Mississippi, or if the federal
64 share of funds for the support of the Mississippi Medicaid Program
65 is reduced, the Legislature may appropriate from the Health Care
66 Principal Fund such sums as are necessary to recoup funds lost
67 through such federal action. The income from the Health Care
68 Principal Fund shall be deposited into the Health Care Expendable
69 Fund established in Section 4.

70 SECTION 4. In accordance with the purposes of this article,
71 there is established in the State Treasury the Health Care
72 Expendable Fund, into which shall be deposited all monies in

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73 excess of Two Hundred Twenty-five Million Dollars
74 (\$225,000,000.00), including income earnings, received by the
75 State of Mississippi as a result of the tobacco settlement as of
76 the end of Fiscal Year 1999, and twenty-five percent (25%) of all
77 tobacco settlement installment payments made in subsequent years,
78 including income earnings, and such other monies as the state may
79 determine are appropriate. Monies in the Health Care Expendable
80 Fund shall be available for expenditure pursuant to specific
81 appropriation by the Legislature beginning in Fiscal Year 2000,
82 and shall be expended exclusively for health care purposes.

83 SECTION 5. (1) The State Treasurer may invest up to
84 one-half (1/2) of the monies of the Health Care Principal Fund and
85 the Health Care Expendable Fund in any of the investments
86 authorized for the Mississippi Prepaid Affordable College Tuition
87 Program under Section 37-155-9, and such investments shall be
88 subject to the limitations prescribed by Section 37-155-9.

89 (2) For the purpose of meeting disbursements for funding
90 health issues and the costs and expenses of administering the
91 Health Care Principal Fund and the Health Care Expendable Fund,
92 cash may be kept available, not exceeding the requirements of the
93 appropriate fund for a period of ninety (90) days, on deposit in
94 one or more banks or trust companies organized under the laws of
95 the State of Mississippi or the laws of the United States,
96 provided that the sum on deposit in any one (1) bank or trust
97 company shall not exceed thirty-five percent (35%) of the paid-up
98 capital and regular surplus of the bank or trust company.

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

102 SECTION 7. This act shall take effect and be in force from
103 and after July 1, 1999, and shall stand repealed from and after
104 July 2, 1999.

Further, amend by striking the title in its entirety and

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inserting in lieu thereof the following:

1 AN ACT TO ESTABLISH A HEALTH CARE PRINCIPAL FUND IN THE STATE
2 TREASURY INTO WHICH SHALL BE DEPOSITED \$225,000,000.00 OF THE
3 MONIES FROM THE SETTLEMENT OF THE LAWSUIT AGAINST TOBACCO
4 COMPANIES BY THE STATE OF MISSISSIPPI PLUS 75% OF FUTURE
5 INSTALLMENT PAYMENTS; TO PROVIDE THAT THE PRINCIPAL FUND SHALL
6 REMAIN INVIOATE AND SHALL NEVER BE EXPENDED, WITH CERTAIN
7 EXCEPTIONS; TO ESTABLISH A HEALTH CARE EXPENDABLE FUND IN THE
8 STATE TREASURY INTO WHICH SHALL BE DEPOSITED ALL MONIES IN EXCESS
9 OF \$225,000,000.00 OF THE TOBACCO SETTLEMENT MONIES PLUS 25% OF
10 FUTURE INSTALLMENT PAYMENTS, INCLUDING ALL INCOME EARNED BY THE
11 FUNDS, AND TO PROVIDE THAT SAID FUND SHALL BE AVAILABLE FOR
12 APPROPRIATION FOR HEALTH CARE PURPOSES; TO PROVIDE THAT MONIES IN
13 THE HEALTH CARE EXPENDABLE FUND SHALL BE EXPENDED EXCLUSIVELY FOR
14 HEALTH CARE PURPOSES; TO PROVIDE THAT UP TO 50% OF THE MONIES IN
15 THE FUNDS SHALL BE INVESTED IN ANY OF THE INVESTMENTS AUTHORIZED
16 FOR THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM;
17 AND FOR RELATED PURPOSES.