

By: Representative Moody

To: Appropriations

HOUSE BILL NO. 1208

1 AN ACT TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972,  
 2 TO DIRECT THE STATE TREASURER TO TRANSFER \$87,000,000.00 FROM THE  
 3 HEALTH CARE TRUST FUND INTO THE HEALTH CARE EXPENDABLE FUND; TO  
 4 DIRECT THE TREASURER TO DEPOSIT THE FULL AMOUNT OF THE 2002  
 5 TOBACCO SETTLEMENT INSTALLMENT PAYMENT RECEIVED BY THE STATE INTO  
 6 THE HEALTH CARE EXPENDABLE FUND; TO PROVIDE THAT IF DURING ANY  
 7 FISCAL YEAR AFTER THE EFFECTIVE DATE OF THIS ACT, THE GENERAL FUND  
 8 REVENUES RECEIVED BY THE STATE EXCEED THE GENERAL FUND REVENUES  
 9 RECEIVED DURING THE PREVIOUS FISCAL YEAR BY FIVE PERCENT OR MORE,  
 10 THE LEGISLATURE SHALL REPAY TO THE HEALTH CARE TRUST FUND THE FULL  
 11 AMOUNT OF THE FUNDS THAT WERE TRANSFERRED AND DEPOSITED INTO THE  
 12 HEALTH CARE EXPENDABLE FUND UNDER THE PROVISIONS OF THIS ACT; TO  
 13 AMEND SECTION 43-13-405, MISSISSIPPI CODE OF 1972, TO CONFORM TO  
 14 THE PRECEDING PROVISION; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 43-13-407, Mississippi Code of 1972, is  
 17 amended as follows:

18 43-13-407. (1) In accordance with the purposes of this  
 19 article, there is established in the State Treasury the Health  
 20 Care Expendable Fund, into which shall be transferred from the  
 21 Health Care Trust Fund the following sums:

22 (a) In fiscal year 2000, Fifty Million Dollars  
 23 (\$50,000,000.00);

24 (b) In fiscal year 2001, Fifty-five Million Dollars  
 25 (\$55,000,000.00);

26 (c) In fiscal year 2002, Sixty Million Five Hundred  
 27 Thousand Dollars (\$60,500,000.00);

28 (d) In fiscal year 2003, Sixty-six Million Five Hundred  
 29 Fifty Thousand Dollars (\$66,550,000.00);

30 (e) In fiscal year 2004 and each subsequent fiscal  
 31 year, a sum equal to the average annual amount of the income from  
 32 the investment of the funds in the Health Care Trust Fund since  
 33 July 1, 1999.



34           (2) In any fiscal year in which interest and dividends from  
35 the investment of the funds in the Health Care Trust Fund are not  
36 sufficient to fund the full amount of the annual transfer into the  
37 Health Care Expendable Fund as required in subsection (1) of this  
38 section, the State Treasurer shall transfer from tobacco  
39 settlement installment payments an amount that is sufficient to  
40 fully fund the amount of the annual transfer.

41           (3) (a) On the effective date of House Bill No. 1208, 2002  
42 Regular Session, the State Treasurer shall transfer the sum of  
43 Eighty-seven Million Dollars (\$87,000,000.00) from the Health Care  
44 Trust Fund into the Health Care Expendable Fund. In addition, at  
45 the time the State of Mississippi receives the 2002 calendar year  
46 tobacco settlement installment payment, the State Treasurer shall  
47 deposit the full amount of that installment payment into the  
48 Health Care Expendable Fund.

49           (b) If during any fiscal year after the effective date  
50 of House Bill No. 1208, 2002 Regular Session, the general fund  
51 revenues received by the state exceed the general fund revenues  
52 received during the previous fiscal year by five percent (5%) or  
53 more, the Legislature shall repay to the Health Care Trust Fund  
54 the full amount of the funds that were transferred and deposited  
55 into the Health Care Expendable Fund under the provisions of  
56 paragraph (a) of this subsection.

57           (4) All income from the investment of the funds in the  
58 Health Care Expendable Fund shall be credited to the account of  
59 the Health Care Expendable Fund. Any funds in the Health Care  
60 Expendable Fund at the end of a fiscal year shall not lapse into  
61 the State General Fund.

62           (5) The funds in the Health Care Expendable Fund shall be  
63 available for expenditure under specific appropriation by the  
64 Legislature beginning in fiscal year 2000, and shall be expended  
65 exclusively for health care purposes.



66           **SECTION 2.** Section 43-13-405, Mississippi Code of 1972, is  
67 amended as follows:

68           43-13-405. (1) In accordance with the purposes of this  
69 article, there is established in the State Treasury the Health  
70 Care Trust Fund, into which shall be deposited Two Hundred Eighty  
71 Million Dollars (\$280,000,000.00) of the funds received by the  
72 State of Mississippi as a result of the tobacco settlement as of  
73 the end of fiscal year 1999, and all tobacco settlement  
74 installment payments made in subsequent years for which the use or  
75 purpose for expenditure is not restricted by the terms of the  
76 settlement, except as otherwise provided in Section 43-13-407(2)  
77 and (3). All income from the investment of the funds in the  
78 Health Care Trust Fund shall be credited to the account of the  
79 Health Care Trust Fund. The funds in the Health Care Trust Fund  
80 at the end of a fiscal year shall not lapse into the State General  
81 Fund.

82           (2) The Health Care Trust Fund shall remain inviolate and  
83 shall never be expended, except as provided in this article. The  
84 Legislature shall appropriate from the Health Care Trust Fund such  
85 sums as are necessary to recoup any funds lost as a result of any  
86 of the following actions:

87                   (a) The federal Centers for Medicare and Medicaid  
88 Services, or other agency of the federal government, is successful  
89 in recouping tobacco settlement funds from the State of  
90 Mississippi;

91                   (b) The federal share of funds for the support of the  
92 Mississippi Medicaid Program is reduced directly or indirectly as  
93 a result of the tobacco settlement;

94                   (c) Federal funding for any other program is reduced as  
95 a result of the tobacco settlement; or

96                   (d) Tobacco cessation programs are mandated by the  
97 federal government or court order.



98           **SECTION 3.** This act shall take effect and be in force from  
99 and after its passage.

