

By: Representatives Watson, Scott

To: Public Health and Human
Services; Appropriations

HOUSE BILL NO. 438

1 AN ACT TO AMEND SECTION 43-13-405, MISSISSIPPI CODE OF 1972,
2 WHICH ESTABLISHES THE HEALTH CARE TRUST FUND IN THE STATE TREASURY
3 INTO WHICH SHALL BE DEPOSITED ALL TOBACCO SETTLEMENT INSTALLMENT
4 PAYMENTS, TO EXTEND THE REPEAL DATE ON THIS SECTION; TO AMEND
5 SECTION 43-13-407, MISSISSIPPI CODE OF 1972, WHICH ESTABLISHES THE
6 HEALTH CARE EXPENDABLE FUND IN THE STATE TREASURY INTO WHICH
7 CERTAIN MONIES DURING EACH FISCAL YEAR SHALL BE TRANSFERRED FROM
8 THE HEALTH CARE TRUST FUND, TO EXTEND THE REPEAL DATE ON CERTAIN
9 PROVISIONS IN THIS SECTION; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 43-13-405, Mississippi Code of 1972, is
12 amended as follows:

13 43-13-405. (1) In accordance with the purposes of this
14 article, there is established in the State Treasury the Health
15 Care Trust Fund, into which shall be deposited Two Hundred Eighty
16 Million Dollars (\$280,000,000.00) of the funds received by the
17 State of Mississippi as a result of the tobacco settlement as of
18 the end of fiscal year 1999, and all tobacco settlement
19 installment payments made in subsequent years for which the use or
20 purpose for expenditure is not restricted by the terms of the
21 settlement, except as otherwise provided in Section 43-13-407(2)
22 and (3). All income from the investment of the funds in the
23 Health Care Trust Fund shall be credited to the account of the
24 Health Care Trust Fund. The funds in the Health Care Trust Fund
25 at the end of a fiscal year shall not lapse into the State General
26 Fund.

27 (2) The Health Care Trust Fund shall remain inviolate and
28 shall never be expended, except as provided in this article. The
29 Legislature shall appropriate from the Health Care Trust Fund such

30 sums as are necessary to recoup any funds lost as a result of any
31 of the following actions:

32 (a) The federal Centers for Medicare and Medicaid
33 Services, or other agency of the federal government, is successful
34 in recouping tobacco settlement funds from the State of
35 Mississippi;

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

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

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

43 (3) This section shall stand repealed on July 1, 2006.

44 **SECTION 2.** Section 43-13-407, Mississippi Code of 1972, is
45 amended as follows:

46 43-13-407. (1) In accordance with the purposes of this
47 article, there is established in the State Treasury the Health
48 Care Expendable Fund, into which shall be transferred from the
49 Health Care Trust Fund the following sums:

50 (a) In fiscal year 2000, Fifty Million Dollars
51 (\$50,000,000.00);

52 (b) In fiscal year 2001, Fifty-five Million Dollars
53 (\$55,000,000.00);

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

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

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

62 (2) In any fiscal year in which interest and dividends from
63 the investment of the funds in the Health Care Trust Fund are not
64 sufficient to fund the full amount of the annual transfer into the
65 Health Care Expendable Fund as required in subsection (1) of this
66 section, the State Treasurer shall transfer from tobacco
67 settlement installment payments an amount that is sufficient to
68 fully fund the amount of the annual transfer.

69 (3) (a) On March 6, 2002, the State Treasurer shall
70 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
71 from the Health Care Trust Fund into the Health Care Expendable
72 Fund. In addition, at the time the State of Mississippi receives
73 the 2002 calendar year tobacco settlement installment payment, the
74 State Treasurer shall deposit the full amount of that installment
75 payment into the Health Care Expendable Fund, and at the time the
76 State of Mississippi receives the 2003 calendar year tobacco
77 settlement installment payment, the State Treasurer shall deposit
78 the full amount of that installment payment into the Health Care
79 Expendable Fund.

80 (b) If during any fiscal year after March 6, 2002, the
81 general fund revenues received by the state exceed the general
82 fund revenues received during the previous fiscal year by more
83 than five percent (5%), the Legislature shall repay to the Health
84 Care Trust Fund one-third (1/3) of the amount of the general fund
85 revenues that exceed the five percent (5%) growth in general fund
86 revenues. The repayment required by this paragraph shall continue
87 in each fiscal year in which there is more than five percent (5%)
88 growth in general fund revenues, until the full amount of the
89 funds that were transferred and deposited into the Health Care
90 Expendable Fund under the provisions of paragraph (a) of this
91 subsection have been repaid to the Health Care Trust Fund.

92 (4) All income from the investment of the funds in the
93 Health Care Expendable Fund shall be credited to the account of
94 the Health Care Expendable Fund. Any funds in the Health Care

95 Expendable Fund at the end of a fiscal year shall not lapse into
96 the State General Fund.

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

101 (6) Subsections (1), (2), (4) and (5) of this section shall
102 stand repealed on July 1, 2006.

103 **SECTION 3.** This act shall take effect and be in force from
104 and after July 1, 2004.