

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 438: Health Care Trust Fund and Health Care Expendable Fund; extend repealers on (RP).

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

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

12 **SECTION 1.** Section 43-13-405, Mississippi Code of 1972, is
13 amended as follows:
14 43-13-405. (1) In accordance with the purposes of this
15 article, there is established in the State Treasury the Health
16 Care Trust Fund, into which shall be deposited Two Hundred Eighty
17 Million Dollars (\$280,000,000.00) of the funds received by the
18 State of Mississippi as a result of the tobacco settlement as of
19 the end of fiscal year 1999, and all tobacco settlement
20 installment payments made in subsequent years for which the use or
21 purpose for expenditure is not restricted by the terms of the
22 settlement, except as otherwise provided in Section 43-13-407(2)
23 and (3). All income from the investment of the funds in the
24 Health Care Trust Fund shall be credited to the account of the
25 Health Care Trust Fund. The funds in the Health Care Trust Fund
26 at the end of a fiscal year shall not lapse into the State General
27 Fund.
28 (2) The Health Care Trust Fund shall remain inviolate and
29 shall never be expended, except as provided in this article. The
30 Legislature shall appropriate from the Health Care Trust Fund such
31 sums as are necessary to recoup any funds lost as a result of any
32 of the following actions:

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

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

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

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

44 (3) This section shall stand repealed on July 1, 2006.

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

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

51 (a) In fiscal year 2000, Fifty Million Dollars
52 (\$50,000,000.00);

53 (b) In fiscal year 2001, Fifty-five Million Dollars
54 (\$55,000,000.00);

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

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

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

63 (f) In fiscal years 2005 and 2006, a sum equal to the
64 total amount of the dividends, interest and other income,

65 including increases in value of the principal, earned on the funds
66 in the Health Care Trust Fund during the preceding fiscal year.

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

74 (3) (a) On March 6, 2002, the State Treasurer shall
75 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
76 from the Health Care Trust Fund into the Health Care Expendable
77 Fund. In addition, at the time the State of Mississippi receives
78 the * * * tobacco settlement installment payments for each of the
79 calendar years 2002, 2003, 2004 and 2005, the State Treasurer
80 shall deposit the full amount of each of those installment
81 payments into the Health Care Expendable Fund * * *.

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

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

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

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

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

105 **SECTION 3.** This act shall take effect and be in force from
106 and after June 30, 2004.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTIONS 43-13-405 AND 43-13-407, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT IN FISCAL YEARS 2005 AND 2006, THE
3 TOTAL AMOUNT OF THE DIVIDENDS, INTEREST AND OTHER INCOME EARNED ON
4 THE FUNDS IN THE HEALTH CARE TRUST FUND DURING THE PRECEDING
5 FISCAL YEAR SHALL BE TRANSFERRED TO THE HEALTH CARE EXPENDABLE
6 FUND; TO PROVIDE THAT THE FULL AMOUNT OF THE CALENDAR YEARS 2004
7 AND 2005 TOBACCO SETTLEMENT INSTALLMENT PAYMENTS RECEIVED BY THE
8 STATE SHALL BE DEPOSITED INTO THE HEALTH CARE EXPENDABLE FUND; TO
9 EXTEND THE REPEALER ON THE PROVISIONS OF SAID SECTIONS; AND FOR
10 RELATED PURPOSES.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

X (SIGNED)
D. Stephen Holland

X (SIGNED)
Alan Nunnelee

X (SIGNED)
Bobby Moody

X (SIGNED)
Tom King

X (SIGNED)
John Read

(NOT SIGNED)
Eugene S. Clarke