

By: Senator(s) Gordon

To: Appropriations

SENATE BILL NO. 2475
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972,
2 TO DELETE CERTAIN PAY-BACK PROVISIONS IN THE TOBACCO SETTLEMENT
3 HEALTH CARE TRUST FUND ACT FOR ONE YEAR; AND FOR RELATED PURPOSES.

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

5 SECTION 1. Section 43-13-407, Mississippi Code of 1972, is
6 amended as follows:

7 [Until June 30, 2007, this section shall read as follows:]

8 43-13-407. (1) In accordance with the purposes of this
9 article, there is established in the State Treasury the Health
10 Care Expendable Fund, into which shall be transferred from the
11 Health Care Trust Fund the following sums:

12 (a) In fiscal year 2005, Four Hundred Fifty-six Million
13 Dollars (\$456,000,000.00);

14 (b) In fiscal year 2006, One Hundred Eighty-six Million
15 Dollars (\$186,000,000.00);

16 (c) In fiscal year 2007, One Hundred Forty-six Million
17 Dollars (\$146,000,000.00);

18 (d) In fiscal year 2008, One Hundred Six Million
19 Dollars (\$106,000,000.00);

20 (e) In fiscal year 2009, Sixty-six Million Dollars
21 (\$66,000,000.00);

22 (f) In fiscal year 2010 and each fiscal year
23 thereafter, a sum equal to the average annual amount of the
24 dividends, interest and other income, including increases in value
25 of the principal, earned on the funds in the Health Care Trust
26 Fund during the preceding four (4) fiscal years.

27 (2) In any fiscal year in which interest, dividends and
28 other income from the investment of the funds in the Health Care
29 Trust Fund are not sufficient to fund the full amount of the
30 annual transfer into the Health Care Expendable Fund as required
31 in subsection (1)(f) of this section, the State Treasurer shall
32 transfer from tobacco settlement installment payments an amount
33 that is sufficient to fully fund the amount of the annual
34 transfer.

35 (3) * * * On March 6, 2002, the State Treasurer shall
36 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
37 from the Health Care Trust Fund into the Health Care Expendable
38 Fund. In addition, at the time the State of Mississippi receives
39 the tobacco settlement installment payments for each of the
40 calendar years 2002 and 2003, the State Treasurer shall deposit
41 the full amount of each of those installment payments into the
42 Health Care Expendable Fund.

43 * * *

44 (4) The total sum of Two Hundred Forty Million Dollars
45 (\$240,000,000.00) plus interest at the rate of five percent (5%)
46 per annum shall be transferred into the Health Care Trust Fund
47 from the State General Fund during fiscal years 2007 through 2013
48 to repay the trust fund for Two Hundred Forty Million Dollars
49 (\$240,000,000.00) of the total sum that is transferred from the
50 trust fund to the Health Care Expendable Fund during fiscal year
51 2005 under subsection (1)(a) of this section. The repayment shall
52 be made according to the following schedule: During each of
53 fiscal years 2007 through 2012, the State Fiscal Officer shall
54 transfer from the General Fund to the Health Care Trust Fund the
55 sum of Thirty-eight Million Dollars (\$38,000,000.00), and during
56 fiscal year 2013 the State Fiscal Officer shall transfer from the
57 State General Fund to the Health Care Trust Fund a sum in the
58 amount certified by the State Treasurer as necessary to fully
59 repay the balance of the Two Hundred Forty Million Dollars

60 (\$240,000,000.00) plus interest at the rate of five percent (5%)
61 per annum.

62 (5) All income from the investment of the funds in the
63 Health Care Expendable Fund shall be credited to the account of
64 the Health Care Expendable Fund. Any funds in the Health Care
65 Expendable Fund at the end of a fiscal year shall not lapse into
66 the State General Fund.

67 (6) The funds in the Health Care Expendable Fund shall be
68 available for expenditure under specific appropriation by the
69 Legislature beginning in fiscal year 2000, and shall be expended
70 exclusively for health care purposes.

71 (7) The provisions of subsection (1) of this section may not
72 be changed in any manner except upon amendment to that subsection
73 by a bill enacted by the Legislature with a vote of not less than
74 three-fifths (3/5) of the members of each house present and
75 voting.

76 (8) Subsections (1), (2), (5) and (6) of this section shall
77 stand repealed on July 1, 2009.

78 **[From and after July 1, 2007, this section shall read as**
79 **follows:]**

80 43-13-407. (1) In accordance with the purposes of this
81 article, there is established in the State Treasury the Health
82 Care Expendable Fund, into which shall be transferred from the
83 Health Care Trust Fund the following sums:

84 (a) In fiscal year 2005, Four Hundred Fifty-six Million
85 Dollars (\$456,000,000.00);

86 (b) In fiscal year 2006, One Hundred Eighty-six Million
87 Dollars (\$186,000,000.00);

88 (c) In fiscal year 2007, One Hundred Forty-six Million
89 Dollars (\$146,000,000.00);

90 (d) In fiscal year 2008, One Hundred Six Million
91 Dollars (\$106,000,000.00);

92 (e) In fiscal year 2009, Sixty-six Million Dollars
93 (\$66,000,000.00);

94 (f) In fiscal year 2010 and each fiscal year
95 thereafter, a sum equal to the average annual amount of the
96 dividends, interest and other income, including increases in value
97 of the principal, earned on the funds in the Health Care Trust
98 Fund during the preceding four (4) fiscal years.

99 (2) In any fiscal year in which interest, dividends and
100 other income from the investment of the funds in the Health Care
101 Trust Fund are not sufficient to fund the full amount of the
102 annual transfer into the Health Care Expendable Fund as required
103 in subsection (1)(f) of this section, the State Treasurer shall
104 transfer from tobacco settlement installment payments an amount
105 that is sufficient to fully fund the amount of the annual
106 transfer.

107 (3) (a) On March 6, 2002, the State Treasurer shall
108 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
109 from the Health Care Trust Fund into the Health Care Expendable
110 Fund. In addition, at the time the State of Mississippi receives
111 the tobacco settlement installment payments for each of the
112 calendar years 2002 and 2003, the State Treasurer shall deposit
113 the full amount of each of those installment payments into the
114 Health Care Expendable Fund.

115 (b) If during any fiscal year after March 6, 2002, the
116 general fund revenues received by the state exceed the general
117 fund revenues received during the previous fiscal year by more
118 than five percent (5%), the Legislature shall repay to the Health
119 Care Trust Fund one-third (1/3) of the amount of the general fund
120 revenues that exceed the five percent (5%) growth in general fund
121 revenues. The repayment required by this paragraph shall continue
122 in each fiscal year in which there is more than five percent (5%)
123 growth in general fund revenues, until the full amount of the
124 funds that were transferred and deposited into the Health Care

125 Expendable Fund under the provisions of paragraph (a) of this
126 subsection have been repaid to the Health Care Trust Fund.

127 (4) The total sum of Two Hundred Forty Million Dollars
128 (\$240,000,000.00) plus interest at the rate of five percent (5%)
129 per annum shall be transferred into the Health Care Trust Fund
130 from the State General Fund during fiscal years 2007 through 2013
131 to repay the trust fund for Two Hundred Forty Million Dollars
132 (\$240,000,000.00) of the total sum that is transferred from the
133 trust fund to the Health Care Expendable Fund during fiscal year
134 2005 under subsection (1)(a) of this section. The repayment shall
135 be made according to the following schedule: During each of
136 fiscal years 2007 through 2012, the State Fiscal Officer shall
137 transfer from the General Fund to the Health Care Trust Fund the
138 sum of Thirty-eight Million Dollars (\$38,000,000.00), and during
139 fiscal year 2013 the State Fiscal Officer shall transfer from the
140 State General Fund to the Health Care Trust Fund a sum in the
141 amount certified by the State Treasurer as necessary to fully
142 repay the balance of the Two Hundred Forty Million Dollars
143 (\$240,000,000.00) plus interest at the rate of five percent (5%)
144 per annum.

145 (5) All income from the investment of the funds in the
146 Health Care Expendable Fund shall be credited to the account of
147 the Health Care Expendable Fund. Any funds in the Health Care
148 Expendable Fund at the end of a fiscal year shall not lapse into
149 the State General Fund.

150 (6) The funds in the Health Care Expendable Fund shall be
151 available for expenditure under specific appropriation by the
152 Legislature beginning in fiscal year 2000, and shall be expended
153 exclusively for health care purposes.

154 (7) The provisions of subsection (1) of this section may not
155 be changed in any manner except upon amendment to that subsection
156 by a bill enacted by the Legislature with a vote of not less than

157 three-fifths (3/5) of the members of each house present and
158 voting.

159 (8) Subsections (1), (2), (5) and (6) of this section shall
160 stand repealed on July 1, 2009.

161 **SECTION 2.** This act shall take effect and be in force from
162 and after its passage.