

By: Senator(s) Gordon

To: Appropriations

SENATE BILL NO. 2475
(As Sent to Governor)

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 AND TO REVISE THE REPAYMENT SCHEDULE
4 FROM THE STATE GENERAL FUND; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 43-13-407, Mississippi Code of 1972, is
7 amended 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 2008 through 2015
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 2008 through 2014, 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 2015 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 **SECTION 2.** This act shall take effect and be in force from
79 and after its passage.