

AN ACT

RELATING TO TOBACCO SETTLEMENT REVENUE; PROVIDING FOR A RESERVE WITHIN THE GENERAL FUND; PROVIDING FOR DISTRIBUTIONS TO THE TOBACCO SETTLEMENT PROGRAM FUND; CREATING A JOINT INTERIM LEGISLATIVE COMMITTEE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-4-9 NMSA 1978 (being Laws 1999, Chapter 207, Section 1) is amended to read:

"6-4-9. TOBACCO SETTLEMENT PERMANENT RESERVE-- INVESTMENT--DISTRIBUTION.--

A. The "tobacco settlement permanent reserve" is created within the general fund. The reserve shall consist of money distributed to the state pursuant to the master settlement agreement entered into between tobacco product manufacturers and various states, including New Mexico, and executed November 23, 1998 or from a qualified escrow fund authorized by a qualifying state statute enacted pursuant to the master settlement agreement. Money in the reserve shall be invested by the state investment officer as land grant permanent funds are invested pursuant to Chapter 6, Article 8 NMSA 1978. Income from investment of the reserve shall be credited to the reserve. Except as provided in Subsection C of this section, money in the reserve shall not be expended for any purpose, but an annual distribution shall be made to the tobacco settlement program fund in accordance with Subsection B of this section.

B. On July 1 of fiscal year 2001 and on July 1 of each fiscal year thereafter, an annual distribution shall be made from the tobacco settlement permanent reserve to the tobacco settlement program fund of an amount equal to fifty percent of the total amount of money distributed to the tobacco settlement permanent reserve in the immediately preceding fiscal year until that amount is less than an amount equal to four and seven-tenths percent of the average of the year-end market values of the tobacco settlement permanent reserve for the immediately preceding five calendar years. Thereafter, the amount of the annual distribution shall be four and seven-tenths percent of the average of the year-end market values of the tobacco settlement permanent reserve for the immediately preceding five calendar years.

C. If general fund balances, including all authorized revenues and transfers to the general fund and balances in the general fund operating reserve, but excluding balances in the tobacco settlement permanent reserve, are insufficient to meet the level of appropriations authorized from the general fund and, after all balances in the general fund operating reserve have been expended, then, upon specific authorization from the legislature, the amounts authorized by the legislature shall be transferred from the tobacco settlement permanent reserve to the general fund for the purpose of meeting those appropriations."

Chapter 207, Section 2) is amended to read:

"6-4-10. TOBACCO SETTLEMENT PROGRAM FUND CREATED--
PURPOSE.--

A. The "tobacco settlement program fund" is created in the state treasury and shall consist of distributions made to the fund from the tobacco settlement permanent reserve. Income from investment of the tobacco settlement program fund shall be credited to the fund. Money in the tobacco settlement program fund may be appropriated by the legislature for any of the purposes specified in Subsection B of this section after receiving the recommendations of the tobacco settlement revenue oversight committee. Balances in the tobacco settlement program fund at the end of any fiscal year shall remain in the fund.

B. Money may be appropriated from the tobacco settlement program fund for health and educational purposes, including:

(1) support of additional public school programs, including extracurricular and after-school programs designed to involve students in athletic, academic, musical, cultural, civic, mentoring and similar types of activities;

(2) any health or health care program or service for prevention or treatment of disease or illness;

(3) basic and applied research conducted by higher educational institutions or state agencies addressing the impact of smoking or other behavior on health and

disease;

(4) public health programs and needs; and
(5) tobacco use cessation and prevention programs, including public information, education and media campaigns."

Section 3. TOBACCO SETTLEMENT REVENUE OVERSIGHT
COMMITTEE CREATED--MEMBERSHIP--DUTIES.--

A. There is created a joint interim legislative committee that shall be known as the "tobacco settlement revenue oversight committee".

B. The tobacco settlement revenue oversight committee shall be composed of six members. Three members of the house of representatives shall be appointed by the speaker of the house of representatives and three members of the senate shall be appointed by the committees' committee of the senate or, if the senate appointments are made in the interim, those members shall be appointed by the president pro tempore of the senate after consultation with and agreement of a majority of the members of the committees' committee. Members shall be appointed from each house so as to give the two major political parties in each house the same proportionate representation on the tobacco settlement revenue oversight committee as prevails in each house.

C. The tobacco settlement revenue oversight committee shall:

(1) monitor the use of tobacco settlement revenue and meet on a regular basis to receive and review evaluations of programs receiving funding from tobacco

settlement revenues;

(2) prepare recommendations, based on its program evaluation process, of program funding levels for the next fiscal year. The recommendations shall be made available to the New Mexico legislative council and the legislative finance committee on or before December 15 preceding each session; and

(3) make recommendations as necessary for changes in legislation regarding use of the tobacco settlement revenue.

D. The staff for the tobacco settlement revenue oversight committee shall be provided by the legislative council service. _____