

AN ACT

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

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 FUND--INVESTMENT--DISTRIBUTION.--

A. The "tobacco settlement permanent fund" is created in the state treasury. The fund 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 any money released to the state from a qualified escrow fund or otherwise paid to the state as authorized by the model statute, Sections 6-4-12 and 6-4-13 NMSA 1978, enacted pursuant to the master settlement agreement. Money in the fund 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 fund shall be credited to the fund. Money in the fund 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 fund 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 fund 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 fund 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 fund for the immediately preceding five calendar years."

Section 2. Section 6-4-10 NMSA 1978 (being Laws 1999, 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 fund. Income from investment of the tobacco settlement program fund shall be credited to the fund. Beginning in fiscal year 2002, 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 and 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 statewide public information, education and media campaigns."

Section 3. Section 6-4-11 NMSA 1978 (being Laws 1999, Chapter 207, Section 3) is amended to read:

"6-4-11. TOBACCO SETTLEMENT DISTRIBUTIONS TO STATE--TRANSFER TO TOBACCO SETTLEMENT PERMANENT FUND.--The state treasurer shall deposit in the tobacco settlement permanent fund all amounts 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 any money released to the state from a qualified escrow fund or otherwise paid to the state as authorized under the model state statute, Sections 6-4-12 and 6-4-13 NMSA 1978, enacted pursuant to the master settlement agreement."

Section 4. 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;

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(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.

Section 5. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately. _____