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HOUSE BILL 5

44TH LEGISLATURE - STATE OF NEW MEXICO - 2ND SPECIAL SESSION, 2000

INTRODUCED BY

Gail C. Beam

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 from a qualified escrow fund
authorized by a qualifying state statute enacted pursuant to

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1 the master settlement agreement. Money in the fund shall be
2 invested by the state investment officer as land grant
3 permanent funds are invested pursuant to Chapter 6, Article 8
4 NMSA 1978. Income from investment of the fund shall be
5 credited to the fund. Money in the fund shall not be
6 expended for any purpose [~~except by appropriation of the~~
7 ~~second session of the forty-fourth and subsequent~~
8 ~~legislatures~~], but an annual distribution shall be made to
9 the tobacco settlement program fund in accordance with
10 Subsection B of this section.

11 B. On July 1 of fiscal year 2001 and on July 1 of
12 each fiscal year thereafter, an annual distribution shall be
13 made from the tobacco settlement permanent fund to the
14 tobacco settlement program fund of an amount equal to fifty
15 percent of the total amount of money distributed to the
16 tobacco settlement permanent fund in the immediately
17 preceding fiscal year until that amount is less than an
18 amount equal to four and seven-tenths percent of the average
19 of the year-end market values of the tobacco settlement
20 permanent fund for the immediately preceding five calendar
21 years. Thereafter, the amount of the annual distribution
22 shall be four and seven-tenths percent of the average of the
23 year-end market values of the tobacco settlement permanent
24 fund for the immediately preceding five calendar years."
25

Section 2. Section 6-4-10 NMSA 1978 (being Laws 1999,
Chapter 207, Section 2) is amended to read:

"6-4-10. TOBACCO SETTLEMENT [~~INCOME~~] PROGRAM FUND

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CREATED--PURPOSE.--

A. The "tobacco settlement [~~income~~] program fund" is created in the state treasury and shall consist of [~~appropriations~~] 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 [~~income~~] 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

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1 (5) tobacco use cessation and prevention
2 programs, including public information, education and media
3 campaigns."

4 Section 3. [NEW MATERIAL] TOBACCO SETTLEMENT REVENUE
5 OVERSIGHT COMMITTEE CREATED--MEMBERSHIP--DUTIES.--

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

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

22 C. The tobacco settlement revenue oversight
23 committee shall:

- 24 (1) monitor the use of tobacco settlement
25 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 4. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.