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SENATE BILL 113

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO FINANCE; MAKING A DISTRIBUTION FROM THE TOBACCO SETTLEMENT PERMANENT FUND TO THE TOBACCO SETTLEMENT PROGRAM FUND FOR EARLY CHILDHOOD CARE AND EDUCATION PROGRAMS ADMINISTERED BY THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT; RECONCILING MULTIPLE AMENDMENTS TO THE SAME SECTION OF LAW IN LAWS 2011; MAKING AN APPROPRIATION.

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, as amended by Laws 2011, Chapter 3, Section 1 and by Laws 2011, Chapter 167, Section 1) is amended to read:

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

A. The "tobacco settlement permanent fund" is

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1 created in the state treasury. The fund shall consist of money
2 distributed to the state pursuant to the master settlement
3 agreement entered into between tobacco product manufacturers
4 and various states, including New Mexico, and executed November
5 23, 1998 or any money released to the state from a qualified
6 escrow fund or otherwise paid to the state as authorized by
7 Sections 6-4-12 and 6-4-13 NMSA 1978, enacted pursuant to the
8 master settlement agreement. Money in the fund shall be
9 invested by the state investment officer in accordance with the
10 limitations in Article 12, Section 7 of the constitution of New
11 Mexico. Income from investment of the fund shall be credited
12 to the fund. Money in the fund shall not be expended for any
13 purpose, except as provided in this section.

14 B. In fiscal years 2003 through 2006, a
15 distribution shall be made from the tobacco settlement
16 permanent fund to the general fund in an amount equal to one
17 hundred percent of the total amount of money distributed to the
18 tobacco settlement permanent fund in that fiscal year.

19 C. In fiscal year 2007 and in each fiscal year
20 thereafter, an annual distribution shall be made from the
21 tobacco settlement permanent fund to the tobacco settlement
22 program fund of an amount equal to fifty percent of the total
23 amount of money distributed to the tobacco settlement permanent
24 fund in that fiscal year until that amount is less than an
25 amount equal to four and seven-tenths percent of the average of

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1 the year-end market values of the tobacco settlement permanent
2 fund for the immediately preceding five calendar years.
3 Thereafter, the amount of the annual distribution shall be four
4 and seven-tenths percent of the average of the year-end market
5 values of the tobacco settlement permanent fund for the
6 immediately preceding five calendar years. In the event that
7 the actual amount distributed to the tobacco settlement program
8 fund in a fiscal year is insufficient to meet appropriations
9 from that fund for that fiscal year, the secretary of finance
10 and administration shall proportionately reduce each
11 appropriation accordingly.

12 D. In addition to the distribution made pursuant to
13 Subsection C of this section, in fiscal years 2009 through
14 2013, the remaining fifty percent of the total amount of money
15 distributed to the tobacco settlement permanent fund in that
16 fiscal year shall be distributed from the tobacco settlement
17 permanent fund to the tobacco settlement program fund.

18 E. In addition to the distribution made pursuant to
19 Subsection C of this section, in fiscal years 2014 through
20 2018, one-half of the remaining fifty percent of the total
21 amount of money distributed to the tobacco settlement permanent
22 fund in that fiscal year shall be distributed from the tobacco
23 settlement permanent fund to the tobacco settlement program
24 fund for direct services provided by early childhood care and
25 education programs administered by the children, youth and

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1 families department.

2 ~~[E-]~~ F. The tobacco settlement permanent fund shall
3 be considered a reserve fund of the state and, as a reserve
4 fund, may be expended in the event that general fund balances,
5 including all authorized revenues and transfers to the general
6 fund and balances in the general fund operating reserve, the
7 appropriation contingency fund and the tax stabilization
8 reserve, will not meet the level of appropriations authorized
9 from the general fund for a fiscal year. In that event, in
10 order to avoid an unconstitutional deficit, the legislature may
11 authorize a transfer from the tobacco settlement permanent fund
12 to the general fund but only in an amount necessary to meet
13 general fund appropriations."

14 **SECTION 2. APPROPRIATION.--**

15 A. Nine million seven hundred fifty thousand
16 dollars (\$9,750,000) is appropriated from the tobacco
17 settlement program fund to the children, youth and families
18 department for direct services provided by early childhood care
19 and education programs it administers for expenditure in fiscal
20 year 2014 to be allocated as follows:

- 21 (1) two million dollars (\$2,000,000) for
22 reimbursement of licensed child care providers that the
23 department has determined meet one of the top three levels of a
24 tiered quality rating and improvement system that includes
25 educational components;

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1 (2) five million seven hundred fifty thousand
2 dollars (\$5,750,000) for pre-kindergarten; and

3 (3) two million dollars (\$2,000,000) for home
4 visiting programs.

5 B. Any unexpended or unencumbered balance remaining
6 at the end of fiscal year 2014 shall revert to the tobacco
7 settlement program fund.

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