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HOUSE BILL 8

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY

Gail Beam

FOR THE TOBACCO SETTLEMENT COMMITTEE

AN ACT

RELATING TO TOBACCO SETTLEMENT REVENUE; PROVIDING FOR  
DISTRIBUTIONS TO THE TOBACCO SETTLEMENT PROGRAM FUND AND  
SPECIFYING USES; CREATING A JOINT INTERIM LEGISLATIVE  
COMMITTEE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978;  
MAKING APPROPRIATIONS.

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

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1 executed November 23, 1998 or from a qualified escrow fund  
2 authorized by a qualifying state statute enacted pursuant to  
3 the master settlement agreement. Money in the fund shall be  
4 invested by the state investment officer as land grant  
5 permanent funds are invested pursuant to Chapter 6, Article 8  
6 NMSA 1978. Income from investment of the fund shall be  
7 credited to the fund. Money in the fund shall not be  
8 expended for any purpose [~~except by appropriation of the~~  
9 ~~second session of the forty-fourth and subsequent~~  
10 ~~legislatures~~], but an annual distribution shall be made to  
11 the tobacco settlement program fund in accordance with  
12 Subsection B of this section.

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

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1 Chapter 207, Section 2) is amended to read:

2 "6-4-10. TOBACCO SETTLEMENT [~~INCOME~~] PROGRAM FUND  
3 CREATED--PURPOSE.--

4 A. The "tobacco settlement [~~income~~] program fund"  
5 is created in the state treasury and shall consist of  
6 [~~appropriations~~] distributions made to the fund from the  
7 tobacco settlement permanent fund. Income from investment of  
8 the tobacco settlement program fund shall be credited to the  
9 fund. Beginning in fiscal year 2002, money in the tobacco  
10 settlement program fund may be appropriated by the  
11 legislature [~~for any of~~] only to the agencies and for the  
12 purposes specified in Subsection B of this section and in  
13 accordance with the recommendations of the tobacco settlement  
14 revenue oversight committee. Balances in the tobacco  
15 settlement program fund at the end of any fiscal year shall  
16 remain in the fund.

17 B. Money may be appropriated from the tobacco  
18 settlement [~~income~~] program fund [~~for health and educational~~  
19 ~~purposes, including:~~

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

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

(3) ~~basic and applied research conducted by~~  
~~higher educational institutions or state agencies addressing~~

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1 ~~the impact of smoking or other behavior on health and~~  
2 ~~disease;~~  
3 ~~(4) public health programs and needs; and~~  
4 ~~(5) tobacco use cessation and prevention~~  
5 ~~programs, including public information, education and media~~  
6 ~~campaigns] to the following agencies for the following~~  
7 ~~purposes:~~  
8 ~~(1) to the department of health for:~~  
9 ~~(a) comprehensive tobacco use~~  
10 ~~prevention and cessation programs, with priority to be given~~  
11 ~~to programs that are community based and culturally~~  
12 ~~appropriate and designed to achieve the "best practices"~~  
13 ~~standards developed by the federal centers for disease~~  
14 ~~control;~~  
15 ~~(b) diabetes prevention outreach~~  
16 ~~programs; and~~  
17 ~~(c) a program of primary prevention~~  
18 ~~home visits to families of newborns, from the prenatal stage~~  
19 ~~to age three, with priority to be given to at-risk families;~~  
20 ~~(2) to the state department of public~~  
21 ~~education for media literacy tobacco use prevention~~  
22 ~~intervention programs targeted at school-age children;~~  
23 ~~(3) to the school of medicine at the~~  
24 ~~university of New Mexico to contract for research on lung~~  
25 ~~tissue regeneration; and~~  
~~(4) to the next generation trust fund to be~~  
~~expended in accordance with the provisions of the Next~~

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1 Generation Trust Fund Act, if the Next Generation Trust Fund  
2 Act is enacted into law by the second session of the forty-  
3 fourth legislature."

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

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

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

13 Section 4. APPROPRIATIONS.--

14 A. The following amounts are appropriated from the  
15 tobacco settlement program fund to the following agencies for  
16 the specified purposes for expenditure in fiscal year 2001:

17 (1) four million seven hundred fifty  
18 thousand dollars (\$4,750,000) to the department of health for  
19 comprehensive tobacco use prevention and cessation programs  
20 that are community based and culturally appropriate and  
21 designed to achieve the "best practices" standards developed  
22 by the federal centers for disease control;

23 (2) one million dollars (\$1,000,000) to the  
24 department of health for diabetes prevention outreach  
25 programs;

(3) two hundred seventy-five thousand  
dollars (\$275,000) to the state department of public

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1 education to contract for media literacy tobacco use  
2 prevention intervention programs for school-age children;  
3 (4) three million eight hundred thousand  
4 dollars (\$3,800,000) to the department of health to contract  
5 for a program of primary prevention home visits to families  
6 of newborns, from the prenatal stage to age three, with  
7 priority to be given to at-risk families;

8 (5) three million dollars (\$3,000,000) to  
9 the board of regents of the university of New Mexico for the  
10 school of medicine to endow a chair for research in tobacco-  
11 related illness;

12 (6) one million dollars (\$1,000,000) to the  
13 board of regents of the university of New Mexico for the  
14 school of medicine to contract for research on lung tissue  
15 regeneration; and

16 (7) the balance remaining in the tobacco  
17 settlement program fund after the appropriations pursuant to  
18 Paragraphs (1) through (6) of this subsection is appropriated  
19 to the next generation trust fund for expenditure in  
20 accordance with the provisions of the Next Generation Trust  
21 Fund Act, if the Next Generation Trust Fund Act is enacted  
22 into law by the second session of the forty-fourth  
23 legislature.

24 B. Any unexpended or unencumbered balance  
25 remaining at the end of fiscal year 2001 shall revert to the  
tobacco settlement program fund.