

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2063

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for defraying the expenses of the comprehensive tobacco prevention and control executive committee; to provide a statement of legislative intent; to provide for reports to the budget section; to amend and reenact section 54-27-25 of the North Dakota Century Code, relating to the tobacco settlement trust fund; to provide for retroactive application; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the tobacco prevention and control trust fund, not otherwise appropriated, to the comprehensive tobacco prevention and control executive committee for the purpose of defraying the expenses of the committee, for the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Comprehensive tobacco control	\$0	\$16,392,495	\$16,392,495
Total special funds	\$0	\$16,392,495	\$16,392,495
Full-time equivalent positions	0.00	4.0	4.0

**SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the tobacco prevention and control trust fund, not otherwise appropriated, the sum of \$62,403, or so much of the sum as may be necessary, to the comprehensive tobacco control advisory committee for the purpose of defraying the expenses of the committee, developing, implementing, and administering the comprehensive tobacco control and prevention plan, and contracting with a consultant to facilitate the development of the comprehensive plan, for the period beginning with January 1, 2009, and ending July 1, 2009.

**SECTION 3. LEGISLATIVE INTENT.** Any act of the tobacco prevention and control executive committee or its employees is an act of the state of North Dakota functioning in its sovereign and governmental capacity. As a state entity the committee is subject to accountability requirements including laws relating to state audits, fiscal management, records retention, and procurement. Employees of the committee are part of the state classified system.

**SECTION 4. REPORTS TO THE BUDGET SECTION.** The state department of health shall report to the budget section quarterly on the implementation of the comprehensive tobacco prevention and control plan and outcomes achieved, for the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 5. AMENDMENT.** Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

**54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.**

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment

entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund must be allocated as follows:

- a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund ~~of which a minimum of eighty percent must be used for tobacco prevention and control.~~
  - b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.
  - c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.
2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be administered by the executive committee for the purpose of creating and implementing the comprehensive plan. If in any biennium, the tobacco prevention and control trust fund does not have adequate dollars to fund a comprehensive plan, the treasurer shall transfer money from the water development trust fund to the tobacco prevention and control trust fund in an amount equal to the amount determined necessary by the executive committee to fund a comprehensive plan.
  3. Transfers to the funds under this section must be made within thirty days of receipt by the state.

**SECTION 6. RETROACTIVE APPLICATION.** Section 2 of this Act is retroactive to January 1, 2009.

**SECTION 7. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98045.0207 FN 2**

**A copy of the statement of purpose of amendment is attached.**