

**HOUSE BILL NO. 1214**

Introduced by

Representatives Bellew, Fehr, Kreidt, J. Nelson, Rohr, Silbernagel, Weisz

1 A BILL for an Act to amend and reenact section 54-27-25 of the North Dakota Century Code,  
2 relating to the tobacco settlement trust fund; and to provide for a legislative management study.

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

4 **SECTION 1. AMENDMENT.** Section 54-27-25 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.**

7 1. There is created in the state treasury a tobacco settlement trust fund. The fund  
8 consists of the tobacco settlement dollars obtained by the state under subsection IX(c)  
9 (1) of the master settlement agreement and consent agreement adopted by the east  
10 central judicial district court in its judgment entered December 28, 1998 [Civil  
11 No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc.  
12 Except as provided in subsection 2, moneys received by the state under  
13 subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be  
14 credited to the fund and deposited in the fund. The principal and interest of the fund  
15 must be allocated as follows:

- 16 a. Transfers to a community health trust fund to be administered by the state  
17 department of health. The state department of health may use funds as  
18 appropriated for community-based public health programs and other public health  
19 programs, including programs with emphasis on preventing or reducing tobacco  
20 usage in this state. Transfers under this subsection must equal ten percent of  
21 total annual transfers from the tobacco settlement trust fund of which a minimum  
22 of eighty percent must be used for tobacco prevention and control.
- 23 b. ~~Transfers to the common schools trust fund to become a part of the principal of~~  
24 that fund a health care delivery trust fund to be administered by the state

department of health. The state department of health may not use funds as appropriated ~~for health care delivery in the state. Health care delivery in the state includes grants to assist hospitals with the verification of personal and health insurance information; defraying the expenses of the medical and dental loan repayment programs, stroke registry system of care and prevention program, colorectal cancer screening program, and breast and cervical cancer assistance program; grants to local public health units; and other health care-related programs as appropriated~~ by the legislative assembly before January 1, 2021.

Investment income earned on moneys deposited in the fund must be deposited in the 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 2. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the legislative management shall study the appropriate long-term use of the funds appropriated to

- 1 the health care delivery trust fund to help further address the health care needs of the state.
- 2 The legislative management shall report its findings and recommendations, together with any
- 3 legislation required to implement the recommendations, to the sixty-seventh legislative
- 4 assembly.