

Fifty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1475

Introduced by

Representative Dalrymple

Senator Nething

1 A BILL for an Act to provide for allocation of funds from settlements with tobacco product
2 manufacturers; and to declare an emergency.

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

4 **SECTION 1. Tobacco settlement trust fund - Interest on fund - Uses.** There is
5 created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco
6 settlement dollars obtained by the state under sections IX (payments) and XI (calculation and
7 disbursement of payments) of the master settlement agreement and consent agreement
8 adopted by the district court in its judgment entered in State of North Dakota, ex rel. Heidi
9 Heitkamp v. Philip Morris, Inc. (east central dist. ct., December 28, 1998). All moneys received
10 by the state pursuant to the judgment and all moneys received by the state for enforcement of
11 the judgment must be deposited in the fund. Interest earned on the fund must be credited to
12 the fund and deposited in the fund. The principal and interest of the fund shall be appropriated
13 for purposes only as follows:

- 14 1. Transfers to a health education trust fund to be administered by the superintendent
15 of public instruction. The superintendent of public instruction shall distribute grant
16 funds as appropriated on the basis of average daily membership only for programs
17 intended to prevent substance abuse in this state, with emphasis on youth
18 education and cessation programs. Transfers under this subsection must equal
19 five percent of total annual transfers from the tobacco settlement trust fund.
- 20 2. Transfers to the common schools trust fund to become a part of the principal of
21 that fund. Transfers under this subsection must equal fifty percent of total annual
22 transfers from the tobacco settlement trust fund.
- 23 3. Transfers to the resources trust fund to be used to address the long-term water
24 development and management needs of the state. Transfers under this

1 subsection must equal thirty-five percent of the total annual transfers from the
2 tobacco settlement trust fund.

3 4. Transfers for other purposes approved by the legislative assembly, including
4 enforcement of the terms of the judgment, must equal ten percent of total annual
5 transfers from the tobacco settlement trust fund.

6 Transfers to the funds under subsections 1, 2, and 3 must be made within thirty days of receipt
7 by the tobacco settlement trust fund. Funds to be transferred under subsection 4 must be held
8 in the tobacco settlement trust fund until appropriated and transferred as directed by the
9 legislative assembly.

10 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.