

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

1 department of health. The state department of health may not use funds as
2 appropriated by the legislative assembly before January 1, 2021. Investment
3 income earned on moneys deposited in the fund must be deposited in the fund.

4 Transfers under this subsection must equal forty-five percent of total annual
5 transfers from the tobacco settlement trust fund.

6 c. Transfers to the water development trust fund to be used to address the
7 long-term water development and management needs of the state. Transfers
8 under this subsection must equal forty-five percent of the total annual transfers
9 from the tobacco settlement trust fund.

10 2. There is created in the state treasury a tobacco prevention and control trust fund. The
11 fund consists of the tobacco settlement dollars obtained by the state under
12 section IX(c)(2) of the agreement adopted by the east central judicial district court in its
13 judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota,
14 ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be
15 credited to the fund and deposited in the fund. Moneys received into the fund are to be
16 administered by the executive committee for the purpose of creating and implementing
17 the comprehensive plan. If in any biennium, the tobacco prevention and control trust
18 fund does not have adequate dollars to fund a comprehensive plan, the treasurer shall
19 transfer money from the water development trust fund to the tobacco prevention and
20 control trust fund in an amount equal to the amount determined necessary by the
21 executive committee to fund a comprehensive plan.

22 3. Transfers to the funds under this section must be made within thirty days of receipt by
23 the state.

24 **SECTION 2. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the
25 legislative management shall study the appropriate long-term use of the funds appropriated to
26 the health care delivery trust fund to help further address the health care needs of the state.
27 The legislative management shall report its findings and recommendations, together with any
28 legislation required to implement the recommendations, to the sixty-seventh legislative
29 assembly.