

FIRST REGULAR SESSION

HOUSE BILL NO. 942

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HANAWAY, KREIDER, FOLEY, FRASER, REINHART, NAEGER, OVERSCHMIDT, MONACO (Co-sponsors), MARSH, VOGEL, HARTZLER, ROBIRDS, MYERS, RIZZO, TREADWAY, LONG, SHELTON, HOSMER, OSTMANN, BYRD, WRIGHT, FARES, MOORE, WAGNER, WILLIAMS, SKAGGS, FARNEN, WARD, BARRY, HAMPTON, BLAND, O'CONNOR, O'TOOLE, BONNER, BRITT, LUETKENHAUS, CARNAHAN, FRANKLIN, SMITH, JOLLY, SHOEMYER, KELLY (36), LIESE, GASKILL, MILLER, CRUMP, GRATZ, SEIGFREID, RELFORD, RICHARDSON AND GEORGE.

Read 1st time March 8, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1965L.04I

AN ACT

To amend chapter 196, RSMo, by adding thereto eight new sections relating to the tobacco settlement.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 196, RSMo, is amended by adding thereto eight new sections, to be known as sections 196.1075, 196.1078, 196.1081, 196.1084, 196.1087, 196.1090, 196.1096 and 196.1099, to read as follows:

196.1075. 1. As used in sections 196.1075 to 196.1099, the following terms mean:

(1) "Account", an account within the health care trust fund created in subsection 2 of this section;

(2) "Health care trust fund", the fund created in subsection 2 of this section;

(3) "MSA", the master settlement agreement entered into on November 23, 1998, as amended, in the tobacco case;

(4) "Tobacco case", the case of *State of Missouri ex rel. Jeremiah W. (Jay) Nixon, Attorney General v. The American Tobacco Company, Inc., et al.*, case number 972-1465, filed in the circuit court of the City of St. Louis, state of Missouri;

(5) "Tobacco claim", any claim of the state of Missouri for conduct, acts or omissions arising out of or in a way related, in whole or in part, to the use, sale, distribution, manufacture, development, advertising, marketing or health affects of tobacco products; the exposure to tobacco products; or research, statements or warnings regarding

14 the potential adverse affects of tobacco use, including those asserted in the tobacco case
15 and any claims of the same or similar nature against any person or entity, including but
16 not limited to the defendants in the tobacco case, provided that a claim of the state of
17 Missouri for taxes or licensure fees shall not be considered a tobacco claim;

18 (6) "Tobacco claim payment", any moneys or proceeds of any moneys, including
19 interest thereon, paid into the state treasury as a result of a tobacco claim, including but
20 not limited to a payment to the state of Missouri pursuant to the MSA or any other tobacco
21 claim settlement, award or judgment. Tobacco claim payment shall include any moneys
22 paid into the state treasury that results in a direct offset or reduction of moneys received
23 into the state treasury pursuant to the MSA or any other tobacco claim settlement, award
24 or judgment.

25 2. The first one hundred twenty-five million dollars of any tobacco claim payments
26 shall be deposited in an endowment fund to be known as the "Fund for Missouri's Future"
27 and shall not be subject to appropriation without a two-thirds vote of the members elected
28 to each house of the general assembly. The state treasurer shall invest moneys in the fund
29 in the same manner as surplus funds are invested pursuant to section 30.260, RSMo. All
30 earnings resulting from the investment of the moneys in the fund for Missouri's future
31 shall be credited to such fund until the corpus of the fund reaches one billion dollars. Any
32 tobacco claim payments received by the state after the initial one hundred twenty-five
33 million dollars is deposited in the fund for Missouri's future and any earnings resulting
34 from the investment of the moneys in the fund after the corpus of the fund reaches one
35 billion dollars shall be deposited into a special trust fund to be known as the "Health Care
36 Trust Fund" and shall be allocated by the state treasurer into separate accounts within the
37 health care trust fund in accordance with sections 196.1075 to 196.1099 and shall be subject
38 to appropriation for smoking prevention and cessation, early childhood care and
39 education, prescription drug coverage and health care, and life sciences and medical
40 research.

41 3. No moneys shall be withdrawn from the health care trust fund or any account
42 of such fund except by an appropriation for the purpose and use authorized for such fund
43 and any applicable account. No obligation for payment of moneys so appropriated from
44 the health care trust fund and any applicable account of such fund shall be incurred and
45 paid unless the commissioner of the office of administration certifies it for payment and
46 further certifies that:

47 (1) The moneys were properly allocated to the health care trust fund and any
48 applicable account by the state treasurer;

49 (2) The expenditure is within the purpose and use required for the health care trust

50 fund and any applicable account;

51 (3) The expenditure is within any more specific purpose or use lawfully contained
52 within the appropriation made by the general assembly; and

53 (4) There is an appropriation of an unencumbered balance within the health care
54 trust fund and any applicable account sufficient to pay it.

55

56 At the time of issuance, each certification shall be entered on the general accounting books
57 as an encumbrance on the appropriation.

196.1078. 1. The state treasurer shall allocate tobacco claim payments credited to
2 the health care trust fund as follows:

3 (1) Fifty-five percent of such moneys shall be placed into the prescription drug
4 coverage and health care treatment and access account created in subsection 1 of section
5 196.1081;

6 (2) Fifteen percent of such moneys shall be placed into the tobacco prevention,
7 education and cessation account created in section 196.1084;

8 (3) Ten percent of such moneys shall be placed into the early childhood care and
9 education account created in section 196.1087;

10 (4) Twenty percent of such moneys shall be placed into the life sciences and medical
11 research account created in section 196.1090.

12 2. All moneys in the health care trust fund shall be appropriated by the general
13 assembly in a separate appropriations bill.

196.1081. The "Prescription Drug Coverage and Health Care Treatment and
2 Access Account" is hereby created within the health care trust fund. Appropriations made
3 by the general assembly from the health care treatment and access account, shall be used
4 and expended solely for prescription drug coverage and health care.

196.1084. The "Tobacco Prevention, Education and Cessation Account" is hereby
2 created within the health care trust fund. Moneys in the account shall be used solely for
3 tobacco prevention, education and/or cessation, including but not limited to programs to
4 prevent tobacco usage by minors, to prevent or reduce tobacco usage generally, and to
5 prevent tobacco addiction.

196.1087. The "Early Childhood Care and Education Account" is hereby created
2 within the health care trust fund. Moneys in the account shall be used solely for early
3 childhood care and/or education, including but not limited to community grants.
4 Appropriations made by the general assembly from the account shall be used and
5 expended solely for the purpose provided in this section.

196.1090. The "Life Sciences and Medical Research Account" is hereby created

2 within the health care trust fund and shall be used and expended solely for life sciences and
3 medical research purposes.

196.1096. The commissioner of administration shall establish such books of account
2 as are necessary to account for the proceeds of any tobacco claim payments made to the
3 state of Missouri and interest thereon and shall make or refuse to make such certifications
4 as are necessary to ensure that these funds are allocated, used and expended only for the
5 purposes and in the proportions set forth in sections 196.1075 to 196.1099.

196.1099. Moneys which are appropriated from the health care trust fund for the
2 purposes provided in sections 196.1075 to 196.1099 shall constitute additional amounts
3 over and above any moneys that are appropriated for such purposes from general revenue
4 as of July 1, 2000. The state shall not reduce the level of funding that was in effect on July
5 1, 2000, for such a purpose from general revenue sources because of the appropriation of
6 moneys for such purpose from the health care trust fund.