

AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE TOBACCO SETTLEMENT
PERMANENT FUND AND THE TOBACCO SETTLEMENT INCOME FUND;
AUTHORIZING EXPENDITURE FOR HEALTH AND EDUCATIONAL PURPOSES;
CREATING A JOINT INTERIM LEGISLATIVE COMMITTEE; MAKING AN
APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. TOBACCO SETTLEMENT PERMANENT FUND--
INVESTMENT.--The "tobacco settlement permanent fund" is
created in the state treasury. The fund shall consist of
money distributed to the state pursuant to the master
settlement agreement entered into between tobacco product
manufacturers and various states, including New Mexico, and
executed November 23, 1998 or from a qualified escrow fund
authorized by a qualifying state statute enacted pursuant to
the master settlement agreement. Money in the fund shall be
invested by the state investment officer as land grant
permanent funds are invested pursuant to Chapter 6, Article 8
NMSA 1978. Money in the fund shall not be expended for any
purpose except by appropriation of the second session of the
forty-fourth and subsequent legislatures.

Section 2. TOBACCO SETTLEMENT INCOME FUND CREATED--
PURPOSE.--

A. The "tobacco settlement income fund" is

created in the state treasury and shall consist of appropriations made to the fund from the tobacco settlement permanent fund. Money in the fund may be appropriated by the legislature for any of the purposes specified in Subsection B of this section.

B. Money may be appropriated from the tobacco settlement income fund for health and educational purposes, including:

(1) support of additional public school programs, including extracurricular and after-school programs designed to involve students in athletic, academic, musical, cultural, civic, mentoring and similar types of activities;

(2) any health or health care program or service for prevention or treatment of disease or illness;

(3) basic and applied research conducted by higher educational institutions or state agencies addressing the impact of smoking or other behavior on health and disease;

(4) public health programs and needs; and

(5) tobacco use cessation and prevention programs, including public information, education and media campaigns.

Section 3. TOBACCO SETTLEMENT DISTRIBUTIONS TO STATE--
TRANSFER TO TOBACCO SETTLEMENT PERMANENT FUND.--The state
treasurer shall deposit in the tobacco settlement permanent

fund all amounts distributed to the state pursuant to the master settlement agreement entered into between tobacco product manufacturers and various states, including New Mexico, and executed November 23, 1998 or from a qualified escrow fund authorized by a qualifying state statute enacted pursuant to the master settlement agreement.

Section 4. TOBACCO SETTLEMENT COMMITTEE CREATED--
MEMBERSHIP--DUTIES.--

A. The "tobacco settlement committee" is created as a joint interim legislative committee. The committee shall function from the date of its appointment until the first day of December prior to the second session of the forty-fourth legislature.

B. The tobacco settlement committee shall consist of six members. The New Mexico legislative council shall appoint three members from the house of representatives and three members from the senate and shall designate the chairman and vice chairman of the committee. Members shall be appointed from each house so as to give the two major political parties in each house the same proportionate representation on the committee as prevails in each house. No action shall be taken by the committee if a majority of the total membership from either house on the committee rejects the action.

C. After its appointment, the tobacco settlement

committee shall hold one organizational meeting to develop a work plan and budget for the ensuing interim. The work plan and budget shall be submitted to the New Mexico legislative council for approval. Upon approval of the work plan and budget, the committee shall:

(1) examine the tobacco settlement agreement and any related changes in federal funding to determine the amount of money New Mexico is likely to receive pursuant to the settlement and the timing, the number and the proportion of the anticipated distributions;

(2) inventory, consider and take testimony on the various unmet health and education needs in New Mexico and determine or devise a method for setting priorities among those unmet needs;

(3) study the impact of appropriating only the annual distributions from the tobacco settlement permanent fund, as provided by law, and determine whether any changes should be made in the law regarding the funds or the distribution mechanism;

(4) develop a formula or guidelines for determining which purposes, programs or activities will be funded annually from tobacco settlement receipts; and

(5) review any other statutes, constitutional provisions, regulations and court decisions relevant to the use of tobacco settlement funds.

D. Subcommittees shall be created only by majority vote of all members appointed to the tobacco settlement committee and with the prior approval of the New Mexico legislative council. A subcommittee shall be composed of at least one member from the senate and one member from the house of representatives, and at least one member of the minority party shall be a member of the subcommittee. All meetings and expenditures of a subcommittee shall be approved by the full committee in advance of the meeting or expenditure, and the approval shall be shown in the minutes of the committee.

E. The tobacco settlement committee shall report its findings and recommendations, including proposed legislation, for the consideration of the second session of the forty-fourth legislature. The report and proposed legislation shall be submitted to the New Mexico legislative council on or before December 15, 1999.

F. The staff for the tobacco settlement committee shall be provided by the legislative council service.

Section 5. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately. _____