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HOUSE BILL 501

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Raymond G. Sanchez

AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE TOBACCO SETTLEMENT
PERMANENT FUND AND THE TOBACCO SETTLEMENT INCOME FUND;
PROVIDING FOR ANNUAL DISTRIBUTIONS FROM THE TOBACCO SETTLEMENT
PERMANENT FUND AND AUTHORIZING EXPENDITURE OF THOSE
DISTRIBUTIONS 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-- DISTRIBUTION. --

A. 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

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1 manufacturers and various states, including New Mexico, and
2 executed November 23, 1998 or from a qualified escrow fund
3 authorized by a qualifying state statute enacted pursuant to
4 the master settlement agreement. Money in the fund shall be
5 invested by the state investment officer as land grant
6 permanent funds are invested pursuant to Chapter 6, Article 8
7 NMSA 1978. Money in the fund shall not be expended for any
8 purpose, but an annual distribution shall be made to the
9 tobacco settlement income fund in accordance with Subsection B
10 of this section for appropriation by the legislature for
11 health and education purposes as provided by law.

12 B. For fiscal year 2001 and each fiscal year
13 thereafter, an annual distribution shall be made from the
14 tobacco settlement permanent fund to the tobacco settlement
15 income fund in an amount equal to four and seven-tenths
16 percent of the average of the year-end market values of the
17 fund for the immediately preceding two fiscal years. The
18 annual distribution shall be made no later than September 1 of
19 the fiscal year.

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

22 A. The "tobacco settlement income fund" is created
23 in the state treasury and shall consist of distributions made
24 to the fund from the tobacco settlement permanent fund.
25 Money in the fund may be appropriated by the legislature for

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1 any of the purposes specified in Subsection B of this section.

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

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

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

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

15 (4) public health programs and needs.

16 Section 3. TOBACCO SETTLEMENT DISTRIBUTIONS TO STATE-
17 TRANSFER TO TOBACCO SETTLEMENT PERMANENT FUND. --The state
18 treasurer shall deposit in the tobacco settlement permanent
19 fund all amounts distributed to the state pursuant to the
20 master settlement agreement entered into between tobacco
21 product manufacturers and various states, including New
22 Mexico, and executed November 23, 1998 or from a qualified
23 escrow fund authorized by a qualifying state statute enacted
24 pursuant to the master settlement agreement.

25 Section 4. TOBACCO SETTLEMENT COMMITTEE CREATED--

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1 MEMBERSHIP - - DUTIES. - -

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

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

18 C. After its appointment, the tobacco settlement
19 committee shall hold one organizational meeting to develop a
20 work plan and budget for the ensuing interim. The work plan
21 and budget shall be submitted to the New Mexico legislative
22 council for approval. Upon approval of the work plan and
23 budget, the committee shall:

- 24 (1) examine the tobacco settlement agreement
25 and any related changes in federal funding to determine the

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1 amount of money New Mexico is likely to receive pursuant to
2 the settlement and the timing and number of the anticipated
3 distributions;

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

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

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

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

19 D. Subcommittees shall be created only by majority
20 vote of all members appointed to the tobacco settlement
21 committee and with the prior approval of the New Mexico
22 legislative council. A subcommittee shall be composed of at
23 least one member from the senate and one member from the house
24 of representatives, and at least one member of the minority
25 party shall be a member of the subcommittee. All meetings and

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1 expenditures of a subcommittee shall be approved by the full
2 committee in advance of the meeting or expenditure, and the
3 approval shall be shown in the minutes of the committee.

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

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

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

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 12, 1999
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8 Mr. Speaker:
9

10 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
11 whom has been referred
12

13 HOUSE BILL 501
14

15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

17 1. On page 5, line 2, after "timing" strike "and" and
18 insert ", the" and after "number" insert "and the proportion".
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Respectfully submitted,

Max Coll, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 15 For 0 Against

Yes: 15

Excused: Picraux, Watchman

Absent: None

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 15, 1999

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 501, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Ben D. Altamirano, Chairman

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Campos, Carraro, Ingle, McKibben, Rodriguez, Tsosie

Absent: None

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FORTY-FOURTH LEGISLATURE
FIRST SESSION

March 16, 1999

SENATE FLOOR AMENDMENT number _____ to HOUSE BILL 501, as amended

Amendment sponsored by Senator Manny M Aragon

1. On page 1, strike line 13 and on line 14, strike "PERMANENT FUND AND".
 2. On page 1, lines 14 and 15, strike "OF THOSE DISTRIBUTIONS".
 3. On page 1, line 21, strike "-- DISTRIBUTION".
 4. On page 1, line 22, strike the subsection designation "A".
 5. On page 2, line 8, after "purpose" strike the remainder of the line and all of lines 9 through 19 and insert in lieu thereof "except by appropriation of the second session of the
- . 129190. 2

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

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forty-fourth and subsequent legislatures. "

6. On page 2, line 23, strike "distributions" and insert
in lieu thereof "appropriations".

7. On page 3, line 14, strike "and".

8. On page 3, line 15, strike the period and insert in
lieu thereof "; and".

9. On page 3, between lines 15 and 16, insert:

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

Manny M Aragon

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

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Adopted _____ Not Adopted

(Chief Clerk)

(Chief Clerk)

Date _____

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