

**Minutes
of the
Tobacco Settlement Revenue Oversight Committee
June 20, 2005
Santa Fe**

The first meeting of the tobacco settlement revenue oversight committee was called to order on June 20, 2005 at 10:00 a.m. in Room 311, State Capitol, by Representative Gail C. Beam, co-chair.

PRESENT

Rep. Gail C. Beam, co-chair
Sen. Mary Jane M. Garcia, co-chair
Rep. Danice Picraux
Sen. John C. Ryan

ABSENT

Rep. Gloria C. Vaughn
Sen. John T.L. Grubestic

Advisory Members

Sen. Rod Adair
Rep. Ray Begaye
Sen. Dede Feldman
Sen. Linda M. Lopez
Sen. James G. Taylor
Rep. Luciano "Lucky" Varela
Rep. Teresa A. Zanetti

Sen. Joseph J. Carraro

Staff

Ramona Schmidt
Cristina Martinez

Representative Beam welcomed all to the tobacco settlement revenue oversight committee (TSROC) meeting and asked the members of the committee and support staff to introduce themselves.

The proposed dates for the upcoming TSROC meetings were reviewed by the members. It was noted that there is a conflict with the August 8 meeting and members reviewed alternative dates. Committee members agreed to change the August 8 meeting to Friday, September 23, at 10:00 a.m. and the October 6 meeting to Thursday, November 10, at 10:00 a.m. The committee members stated they would like the meeting held in Albuquerque to include a presentation by UNM health sciences center staff.

Representative Beam recounted how the TSROC was created and stated that the committee has been charged statutorily with delegating the tobacco settlement revenue funds. It was decided there would be a 50 percent split with half of the funds going into a permanent fund and the other half going into a program fund. The committee also recommended that programs should be funded so that programs were not solely tobacco-related but included broader health

issues. Representative Beam noted that although there has been a decline in revenue over the years, the revenue will begin to increase beginning in 2018, based on the tobacco settlement permanent fund distribution analysis under current law. The committee members were reminded of the amendment in 2003 of Section 6-4-9 NMSA 1978, which transferred all tobacco settlement revenues received in fiscal years 2003 through 2006 to the general fund and discontinued the transfer of 50 percent of the revenues to the tobacco settlement program fund until fiscal year 2007. Representative Beam noted that the sunset date is approaching and encouraged the committee to support the funding to return to the permanent fund. Senator Garcia stated that the main focus of the programs funded by the tobacco settlement revenue is still cessation and prevention, especially focused on youth. It was noted that the goal of the TSROC is to protect the fund money and the programs for tobacco cessation.

As part of its oversight, the committee annually hears reports by the department of health, the university of New Mexico health sciences center and the legislative health and human services committee on the programs funded through the TSROC.

Pam Ray, staff attorney for the legislative council service (LCS), explained House Taxation and Revenue Committee Substitute for House Bill 452 and stated that the intent of the bill was to assist in the administration of the funds and close gaps to better control the flow of cigarette tax. Ms. Ray stated that there was an issue for intertribal distribution and the tracking of cigarettes going into tribal sales but this was addressed through the intertribal agreement.

Senator Ryan asked for a more detailed report of the impact on taxation, and Representative Beam asked committee staff to invite Cleo Griffith from the LCS to present at the September meeting to further address this issue.

The committee members agreed on the following September meeting agenda items:

- an update from the attorney general's office;
- the history of bills related to TSROC presentation;
- the programs and amounts funded for fiscal year 2006; and
- a department analysis of House Taxation and Revenue Committee Substitute for House Bill 452, including presentation of the distribution discount for affixing stamps report that was compiled by Maha Khoury.

Having no further business, the committee adjourned at 12:00 noon.