WEST VIRGINIA CODE CHAPTER 16 ARTICLE 9C

WV Legislature

§16-9C-1. Findings and purpose.

(a) Cigarette smoking presents serious public health concerns as well as serious financial concerns for the state. In response, the state pursued legal claims against leading tobacco product manufacturers to recover damages caused by the public health and financial consequences of cigarette smoking. On November 23, 1998, leading United States tobacco product manufacturers entered into a settlement agreement, entitled "master settlement agreement", with the state. The master settlement agreement obligates these manufacturers to pay substantial sums to the state in exchange for a release of past, present and future claims against them.

(b) The tobacco growers of the state are not a party or a beneficiary of the master settlement agreement.

(c) In view of the master settlement agreement, similar agreements between other states and tobacco product manufacturers, and the heightened public awareness and scrutiny of the dangers associated with cigarette smoking, the state has a significant interest in protecting tobacco growers from negative economic and financial consequences arising from changes in the cigarette industry, such as decreased consumption, demand and prices.

(d) On January 21, 1999, leading United States tobacco product manufacturers agreed to establish a national tobacco community trust, for the sole benefit of tobacco growers, payable over a twelve-year period, beginning in the year 1999. The tobacco growers in this state (and thirteen other states) are eligible to participate in the national tobacco community trust upon the creation of a state tobacco grower board, which will consummate a tobacco grower settlement with the tobacco product manufacturers.

WV Legislature

§16-9C-2. Definitions.

(a) "Cigarette" means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains: (1) Any roll of tobacco wrapped in paper or in any substance not containing tobacco; or (2) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or (3) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette as that term is described in this subsection. The term "cigarette" includes "roll-your-own" which means any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes. For purposes of this definition of cigarette, 0.09 ounces of "roll-your-own" tobacco shall constitute one individual cigarette.

(b) "Master settlement agreement" means the settlement agreement (and related documents) entered into on November 23, 1998, by the state and leading United States tobacco product manufacturers.

(c) "National tobacco community trust" means the trust fund agreed to by leading United States tobacco product manufacturers, to be established and funded by them for the sole benefit of state tobacco growers.

(d) "Tobacco grower" means a person who has a direct financial interest in planting, cultivating and harvesting tobacco for sale. Tobacco grower includes a person who possesses a quota to market tobacco as administered by the United States Department of Agriculture.

(e) "Trust" means the national tobacco community trust as defined in subsection (c) of this section.

WV Legislature

§16-9C-3. Creation of board.

There is hereby created a board to be known as the "state tobacco growers' settlement board" consisting of three members: The Governor, the Attorney General and the commissioner of agriculture, or their designees. The Governor or his or her designee shall serve as the chair, the commissioner of agriculture or his or her designee shall serve as the vice chair, and the Attorney General or his or her designee shall serve as the secretary.

WV Legislature

§16-9C-4. Duties and responsibilities of the state tobacco grower board.

The duties and responsibilities of the board shall include, but are not limited to:

(a) The consummation of a settlement with leading United States tobacco product manufacturers for the exclusive benefit of state tobacco growers;

(b) The execution of all necessary written agreements relative to the national tobacco community trust to ensure state tobacco growers' receipt of funds directly from the trust;

(c) Consultation with tobacco growers within the state in order to determine how funds allocated by the national tobacco community trust shall be distributed among state tobacco growers to compensate them for the adverse effects of decreased consumption, demand and price for cigarettes;

(d) The submission of a plan to the national tobacco community trust identifying state tobacco growers and the distribution of trust funds to state tobacco growers; and

(e) The certification of instructions annually to the national tobacco community trust regarding distribution of funds from the trust directly to the state tobacco growers during the twelve year payment period, beginning in the year one thousand nine hundred ninety-nine.

WV Legislature