WEST VIRGINIA CODE: §4-11A-2

§4-11A-2. Receipt of settlement funds and required deposit in West Virginia Tobacco Settlement Medical Trust Fund until June 1, 2005, then to Workers' Compensation Debt Reduction Fund; deposit of strategic compensation payments; transfer of trust fund moneys.

(a) The Legislature finds and declares that certain dedicated revenues should be preserved in trust for the purpose of stabilizing the state's health-related programs and delivery systems. It further finds and declares that these dedicated revenues should be preserved in trust for the purpose of educating the public about the health risks associated with tobacco usage and establishing a program designed to reduce and stop the use of tobacco by the citizens of this state and in particular by teenagers.

(b) There is hereby created a special account in the state Treasury, designated the West Virginia Tobacco Settlement Medical Trust Fund, which shall be an interest-bearing account and may be invested in the manner permitted by section nine, article six, chapter twelve of this code, with the interest income a proper credit to the fund. Unless contrary to federal law, fifty percent of all revenues received pursuant to the master settlement agreement shall be deposited in this fund. Funds paid into the account may also be derived from the following sources:

(1) All interest or return on investment accruing to the fund;

(2) Any gifts, grants, bequests, transfers or donations which may be received from any governmental entity or unit or any person, firm, foundation or corporation;

(3) Any appropriations by the Legislature which may be made for this purpose; and

(4) Any funds or accrued interest remaining in the board of Risk and Insurance Management Physicians' Mutual Insurance Company account created pursuant to section seven, article twenty-f, chapter thirty-three of this code on or after July 1, 2004.

(c) (1) The moneys from the principal in the trust fund may not be expended for any purpose, except that on April 1, 2003, the Treasurer shall transfer to the board of Risk and Insurance Management Physicians' Mutual Insurance Company account created by section seven, article twenty-f, chapter thirty-three of this code, $24 million from the West Virginia Tobacco Settlement Medical Trust Fund for use as the initial capital and surplus of the Physicians' Mutual Insurance Company created pursuant to said article. The remaining moneys in the trust fund resulting from interest earned on the moneys in the fund and the return on investments of the moneys in the fund shall be available only upon appropriation by the Legislature as part of the state budget and expended in accordance with the provisions of section three of this article.

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(2) Notwithstanding any other provision of this code to the contrary, on the effective date of the amendment and reenactment of this section during the regular session of the Legislature in 2006, all moneys in the trust fund and any interest or other return earned thereon shall be transferred to the revenue shortfall reserve fund - Part B created in section twenty, article two, chapter eleven-b of this code and the trust fund shall be closed. No provisions of the amendments made to this section during the regular session of the Legislature in 2006 may be construed to change the requirements of this section for the deposit of revenues received pursuant to the master settlement agreement into the Workers' Compensation Debt Reduction Fund.

(d) Notwithstanding the preceding subsections to the contrary, the first $30 million of all revenues received after June 30, 2005, pursuant to section IX(c)(1) of the master settlement agreement shall in the fiscal year beginning July 1, 2005, and each fiscal year thereafter, be deposited in the Workers' Compensation Debt Reduction Fund established in the state Treasury in section five, article two-d, chapter twenty-three of this code. Receipts in excess of $30 million shall be deposited into the tobacco settlement fund provided in section three of this article.

(e) Notwithstanding anything in this code to the contrary, strategic compensation payments received pursuant to section IX(c)(2) of the master settlement agreement, beginning in 2008, shall be deposited in their entirety in the Workers' Compensation Debt Reduction Fund.

(f) Notwithstanding anything in this code to the contrary, on the effective date of the sale of the state's share to the authority as authorized in this article, the deposits and transfers provided in this section shall cease and no longer be required.

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