WEST VIRGINIA LEGISLATURE
FIRST REGULAR SESSION, 1999

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ENROLLED

House Bill No. 3031
(By Delegates Leach, Compton, Ashley, Thompson,
Fleischauer, Laird and Miller)

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Passed March 13, 1999

In Effect Ninety Days from Passage
ENROLLED

H. B. 3031

(BY DELEGATES LEACH, COMPTON, ASHLEY, THOMPSON, FLEISCHAUER, LAIRD AND MILLER)

[Passed March 13, 1999; in effect ninety days from passage.]

AN ACT to amend chapter four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article eleven-a, all relating to appropriations of tobacco settlement money; creating two funds for the deposit of tobacco settlement moneys; authorizing the expenditure of the interest from the West Virginia tobacco settlement medical trust fund; authorizing certain expenditures from the “Tobacco Settlement Fund” only upon legislative appropriation.

Be it enacted by the Legislature of West Virginia:

That chapter four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article eleven-a, to read as follows:

ARTICLE 11A. LEGISLATIVE APPROPRIATION OF TOBACCO SETTLEMENT FUNDS.

§4-11A-1. Legislative findings and purpose.

(a) On the twenty-third day of November, one thousand nine hundred ninety-eight, tobacco product manufacturers entered into a settlement agreement with the state. This “master settlement agreement” releases those manufacturers from past,
present and specific future claims against them in return for payment of annual sums of money to the state, obligates the manufacturers to change their advertising and marketing practices, and requires the establishment by the manufacturers of a national foundation for the interests of public health.

(b) The revenues received pursuant to the master settlement agreement are directly related to the past, present and future costs incurred by the state for the treatment of tobacco related illnesses. The purpose of this article is to preserve the revenues received from the settlement.

(c) The receipt of funds in accordance with the master settlement agreement shall be deposited only in accordance with the provisions of this article.

§4-11A-2. Receipt of settlement funds and required deposit in West Virginia tobacco settlement medical trust fund.

(a) The Legislature finds and declares that certain dedicated revenues should be preserved in trust for the purpose of stabilizing the states health related programs and delivery systems. It further finds and declares that these dedicated revenues should also be preserved in trust for the purpose of educating the public about the health risks associated with tobacco usage and for the establishment of 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; and

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

(c) The moneys from the principal in the trust fund may not be expended for any purpose. The 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.

§4-11A-3. Receipt of settlement funds and required deposit in the West Virginia tobacco settlement fund.

(a) There is hereby created in the state treasury a special revenue account, designated the "Tobacco Settlement Fund", which shall be an interest bearing account and may be invested in the manner permitted by the provisions of 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. These funds shall be available only upon appropriation by the Legislature as part of the state budget: Provided, That for the fiscal year two thousand, the first five million dollars received into the fund shall be transferred to the public employees insurance reserve fund created in article two, chapter five-a of this code.

(b) Appropriations from the tobacco settlement fund are limited to expenditures for the following purposes:

(1) Reserve funds for continued support of the programs offered by the public employees insurance agency established in article sixteen, chapter five of this code;

(2) Funding for expansion of the federal-state medicaid program as authorized by the Legislature or mandated by the federal government;
(3) Funding for public health programs, services and agencies; and

(4) Funding for any state owned or operated health facilities.

(c) Notwithstanding the provisions of section two, article two, chapter twelve of this code, moneys within the tobacco settlement trust fund may not be redesignated for any purpose other than those set forth in this section.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate.

Speaker of the House of Delegates

The within approved this the 2nd day of , 1999.

Governor