WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1999

ENROLLED

SENATE BILL NO. 697

(By Senator CRAIGO, et al.)

PASSED MARCH 9, 1999
In Effect From Passage
AN ACT to amend chapter sixteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article nine-c, relating to the creation of a state tobacco growers' settlement board; setting forth legislative findings; defining terms; establishing the membership of and positions on the board; and duties and responsibilities of the state tobacco grower's settlement board.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 9C. STATE TOBACCO GROWERS' SETTLEMENT BOARD.

§16-9C-1. Findings and purpose.

1 (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 the twenty-third day of November, one thousand nine hundred ninety-eight, 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 the twenty-first day of January, one thousand nine hundred ninety-nine, 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 one thousand nine hundred ninety-nine. 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.

§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 appear-
ance, 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 the
twenty-third day of November, one thousand nine hundred
ninety-eight, 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.

§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.

§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.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the Senate.

In effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 27th Day of March, 1996

Governor
PRESENTED TO THE
GOVERNOR
Date 3/18/99
Time 11:12 a.m.