

SECOND REGULAR SESSION

SENATE BILL NO. 839

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR JACOB.

Read 1st time January 17, 2000, and 1,000 copies ordered printed.

37101.011

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 196, RSMo, relating to tobacco by adding thereto three new sections relating to the same subject, with a contingent effective date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 196, RSMo, is amended by adding thereto three new sections, to be known as sections 196.1015, 196.1018 and 196.1021, to read as follows:

196.1015. Any moneys received by the state pursuant to the master settlement agreement entered into on November 23, 1998, by the state and leading United States tobacco product manufacturers prior to setting a current valuation for such moneys pursuant to section 196.1018 shall be deposited in a special fund in the state treasury to be known as the "Tobacco Settlement Fund".

196.1018. 1. There is hereby established a "Tobacco Settlement Commission" to be composed of nine members appointed by the governor with the advice and consent of the senate. The members of the commission shall be residents of the state of Missouri who have substantial experience in investments, such as academics, private investors, insurers and financial institutions. The members of the commission shall be appointed for terms of four years; except that initial appointments to the commission shall consist of three persons to serve four-year terms, three persons to serve three-year terms and two persons to serve two-year terms. Members of the commission may be reappointed.

2. The governor may remove a member from the commission with the consent of the senate. A removal by the governor shall be in writing and shall state the reason for the removal. Any vacancy on the commission shall be promptly filled by the governor in the same manner as the original appointments. A person appointed to fill a vacancy shall be appointed for the balance of the term for which the appointee's

predecessor on the commission was appointed.

3. Members of the commission shall not be compensated for their services, but shall be reimbursed from funds appropriated for their actual and necessary expenses incurred in the performance of their duties.

4. The commission shall organize by electing one member as chairperson and another as vice chairperson. Such officers shall serve for a term of two years. The commission shall meet no fewer than four times per calendar year, at the call of the chairperson, and at times and places established by the chairperson by written notice. Subject to appropriation, the commission shall employ and determine the salary of an executive director who shall also serve as secretary to the commission.

5. The commission shall:

(1) No later than six months after the effective date of this section, submit to the general assembly for approval or rejection a proposal on the best method or methods to set at current valuation the moneys received by the state pursuant to the master settlement agreement entered into on November 23, 1998, by the state and leading United States tobacco product manufacturers, including any moneys in the tobacco settlement fund established in section 196.1015. Such proposal may include the sale of tax-exempt bonds or any other method of setting at current valuation the tobacco settlement moneys; and

(2) Upon approval of such proposal by the general assembly, invest all moneys received as a result of such setting at current valuation the tobacco settlement moneys and which are deposited in the Missouri permanent trust fund pursuant to section 196.1021. The investments by the commission shall not be subject to section 30.260, RSMo.

196.1021. 1. There is hereby established in the state treasury a special trust fund to be known as the "Missouri Permanent Trust Fund". All moneys received from setting at current valuation the tobacco settlement moneys shall be deposited in the Missouri permanent trust fund and invested by the tobacco settlement commission in accordance with section 196.1018.

2. The annual earnings resulting from the investment of moneys in the Missouri permanent trust fund shall be subject to appropriation by the general assembly for health and education purposes only; except that, the general assembly shall not appropriate more than one hundred million dollars for the first year in which earnings may be appropriated. The corpus of the trust shall not be subject to appropriation without a vote of the people of the state of Missouri.

3. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the Missouri permanent trust fund shall not revert to the general revenue fund at the end of the biennium.

Section B. Section A of this act shall become effective upon passage of a constitutional amendment requiring any tobacco settlement moneys to be set at current valuation and deposited into a permanent trust fund to be used for health and education purposes only.

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