

1 State of Arkansas  
2 82nd General Assembly  
3 First Extraordinary Session, 2000  
4

# A Bill

CALL NUMBER 3

HOUSE BILL 1004

5 By: Representatives Hendren, Buchanan, Bledsoe, Elliott, Minton  
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## For An Act To Be Entitled

9 "AN ACT TO PROVIDE FOR THE MANAGEMENT OF THE FUNDS  
10 RECEIVED BY THE STATE FROM THE MASTER SETTLEMENT WITH  
11 TOBACCO COMPANIES; TO PROVIDE THAT ONLY THE INTEREST  
12 FROM THE FUNDS SHALL BE EXPENDED; TO PROVIDE THAT THE  
13 INTEREST SHALL BE USED ONLY FOR HEALTH CARE NEEDS; AND  
14 FOR OTHER PURPOSES. "

## Subtitle

16 "AN ACT TO PROVIDE FOR THE MANAGEMENT OF  
17 THE FUNDS RECEIVED BY THE STATE FROM THE  
18 MASTER SETTLEMENT WITH TOBACCO  
19 COMPANIES. "  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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### SECTION 1. Intent.

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26 (a)(1) It is the intent of this act to set aside all monies received by  
27 the State of Arkansas from the Master Settlement with tobacco companies and  
28 the State and to use only the interest derived from the monies.

29 (2) It is also the intent of the act that the interest from the  
30 monies be used only for health care purposes.

31 (b) Any future attempt to spend all or part of the monies received by  
32 the State of Arkansas into the Tobacco Settlement Trust Fund from the Master  
33 Settlement with tobacco companies would constitute a major breach of trust  
34 with the people of Arkansas, unless:

35 (1) The General Assembly determines that due to exceptional  
36 circumstances it is necessary to make an emergency expenditure to address

1 crucial needs of the State and adequate funds cannot be made available from  
2 other sources of funds; or

3 (2) The voters approve the use of the funds by Initiated Act.  
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5 SECTION 2. Tobacco Settlement Trust Fund Created.

6 (a)(1) There is established on the books of the Treasurer of State,  
7 Auditor of State, and the Chief Fiscal Officer of the State, a trust fund to  
8 be known as the Tobacco Settlement Trust Fund.

9 (2) The fund shall consist of all monies derived and received by  
10 the State of Arkansas from the Master Settlement with tobacco companies and  
11 the state.

12 (b) The fund shall be administered, invested, and reinvested by the  
13 State Board of Finance.

14 (c)(1) All income derived through the investment and interest earnings  
15 of the fund shall be transferred as special revenues to the Health Care  
16 Improvement Fund.

17 (2) The Treasurer of State shall transfer the income to the  
18 Health Care Improvement Fund on the last day of each month.  
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20 SECTION 3. Health Care Improvement Fund Created.

21 (a) There is established on the books of the Treasurer of State, Auditor  
22 of State, and the Chief Fiscal Officer of the State a fund to be known as the  
23 Health Care Improvement Fund.

24 (b) The fund shall consist of income derived through the investment and  
25 interest earnings of the Tobacco Settlement Trust Fund and transferred to the  
26 Health Care Improvement Fund as special revenue under Section 2.

27 (c) The Health Care Improvement Fund shall be used only for health care  
28 purposes.  
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30 SECTION 4. All provisions of this act of a general and permanent nature  
31 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
32 Revision Commission shall incorporate the same in the Code.  
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34 SECTION 5. If any provision of this act or the application thereof to  
35 any person or circumstance is held invalid, such invalidity shall not affect  
36 other provisions or applications of the act which can be given effect without

1 the invalid provision or application, and to this end the provisions of this  
2 act are declared to be severable.

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4 SECTION 6. All laws and parts of laws in conflict with this act are  
5 hereby repealed.

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7 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the Eighty-  
8 second General Assembly that all monies received by the State from the Master  
9 Settlement with tobacco companies and the State should be set aside in a trust  
10 fund and invested; that only the income derived through investment and  
11 interest earnings from the trust fund should be spent; that the income should  
12 only be used for health care purposes; and that this act is immediately  
13 necessary in order to adequately protect and manage the monies received by the  
14 State from the Master Settlement with tobacco companies. Therefore, an  
15 emergency is declared to exist and this act being immediately necessary for  
16 the preservation of the public peace, health and safety shall become effective  
17 on the date of its approval by the Governor. If the bill is neither approved  
18 nor vetoed by the Governor, it shall become effective on the expiration of the  
19 period of time during which the Governor may veto the bill. If the bill is  
20 vetoed by the Governor and the veto is overridden, it shall become effective  
21 on the date the last house overrides the veto.

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