

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**HOUSE BILL 621**

Short Title: Tobacco Payments 1998-2025.

(Public)

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Sponsors: Representatives Baker, Russell (Primary Sponsors); Davis, Sexton, Mitchell, Culp, and Preston.

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Referred to: Rules, Calendar and Operations of the House.

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March 25, 1999

**A BILL TO BE ENTITLED**

**AN ACT TO PROVIDE FOR THE DISTRIBUTION OF TOBACCO LITIGATION  
MASTER SETTLEMENT AGREEMENT FUNDS FOR THE YEAR 1998 AND  
THEREAFTER.**

Whereas, the General Assembly, in S.L. 1999-2, has approved the creation of a nonprofit corporation to receive fifty percent of the funds from the tobacco litigation Master Settlement Agreement; and

Whereas, each annual installment payment due to the nonprofit corporation pursuant to the Master Settlement Agreement is conditionally assigned by the General Assembly to the nonprofit corporation; and

Whereas, S.L. 1999-2 provides that the General Assembly may enact an act to stop the assignment of annual payments to the nonprofit corporation before those payments are received in North Carolina's State Specific Account; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. The purpose of this act is to (i) provide, to the extent feasible, fifty percent (50%) of all Master Settlement Agreement funds during the period 1998 through 2025 to the nonprofit corporation and twenty-five percent (25%) of those funds during the same period to the tobacco growers and allotment holders through a Tobacco Growers and Allotment Holders Trust Fund; and (ii) recognize the immediate financial

1 needs of tobacco growers and allotment holders by providing for a greater percentage of  
2 funds for tobacco growers and allotment holders until 2010.

3           Section 2. Notwithstanding Sections 2(a) and 2(b) of S.L. 1999-2, the annual  
4 installment payments for the years 1998 through 2010 that would otherwise be assigned  
5 to the nonprofit corporation from the Master Settlement Agreement shall instead be  
6 appropriated as follows:

7           (1) Sixty-nine and six-tenths percent (69.6%) to the Tobacco Growers and  
8 Allotment Holders Trust Fund established pursuant to Article 70 of  
9 Chapter 106 of the General Statutes.

10           (2) Thirty and four-tenths percent (30.4%) to the nonprofit corporation  
11 referred to in Section 1 of this act.

12           Section 3. Of the funds to be received pursuant to the Master Settlement  
13 Agreement in the Settlement Reserve Fund pursuant to G.S. 143-16.4 for the period 1998  
14 through 2010, fifty percent (50%) of each annual payment shall be appropriated to the  
15 Tobacco Growers and Allotment Holders Trust Fund established pursuant to Article 70 of  
16 Chapter 106 of the General Statutes. If the Trust Fund is not in existence at the time  
17 those funds are credited to the Settlement Reserve Fund, the portion of the funds  
18 earmarked by this section for the Trust Fund shall be transferred to the restricted reserve  
19 account referred to in Section 5 of this act.

20           Section 4. During the period 2011 through 2025, the nonprofit corporation  
21 referred to in Section 1 of this act shall receive the full assignment of funds provided for  
22 in S.L. 1999-2 and shall be appropriated additional funds as necessary from the  
23 Settlement Reserve Fund to bring the nonprofit corporation's receipt of funds during the  
24 1998-2025 payment period to fifty percent (50%) of the total amount of the Master  
25 Settlement Agreement funds available during that period.

26           Section 5. If the Tobacco Growers and Allotment Holders Trust Fund is not in  
27 existence at the time payments from the Master Settlement Agreement are received in  
28 North Carolina's State Specific Account, the payments shall be held in a restricted reserve  
29 account within the General Fund to be used for the payment of tobacco growers and  
30 allotment holders for the economic loss resulting from the decline or elimination of  
31 tobacco quota or the decline in value of farm-related tobacco assets.

32           Section 6. This act is effective when it becomes law.