

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2004

Short Title: Golden L.E.A.F. Funds for County Medicaid. (Public)

Sponsors: Representatives Blust; Brown, Neumann, and Walend.

Referred to: Appropriations.

May 10, 2007

A BILL TO BE ENTITLED

1 AN ACT TO DISSOLVE AND REPEAL THE CHARTER OF THE GOLDEN
2 L.E.A.F., INC., AND TO DIRECT UNENCUMBERED ASSETS AND FUNDS OF
3 THE GOLDEN L.E.A.F., INC., TO THE FUND ESTABLISHED FOR THE
4 BENEFIT OF HEALTH, INCLUDING A REDUCTION IN THE COUNTY
5 SHARE OF THE NONFEDERAL SHARE OF MEDICAID.
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Pursuant to Section 3 of S.L. 1999-2 and Section 1 of Article
9 VIII of the North Carolina Constitution, the General Assembly hereby dissolves and
10 repeals the charter of the nonprofit corporation, The Golden L.E.A.F. (Long-Term
11 Economic Advancement Foundation), Inc., created pursuant to S.L. 1999-2 and the
12 Consent Decree and Final Judgment entered in the action of State of North Carolina v.
13 Philip Morris Incorporated, et al., 98 CVS 14377, in the General Court of Justice,
14 Superior Court Division, Wake County, North Carolina, on December 21, 1998.
15 Pursuant to G.S. 143-16.4 and Section 3(5) of S.L. 1999-2, all unencumbered assets and
16 funds of the nonprofit corporation, including the right to receive future funds pursuant
17 to Section 2 of S.L. 1999-2, are transferred to the Health Trust Account in the
18 Settlement Reserve Fund to be appropriated by the General Assembly for prescription
19 drugs for senior citizens.

20 Pursuant to Section 2(b) of S.L. 1999-2, the fifty percent (50%) of the annual
21 installment payment to the North Carolina State Specific Account otherwise transferred
22 and assigned to The Golden L.E.A.F. (Long-Term Economic Advancement
23 Foundation), Inc., during the 2007-2008 fiscal year and all future payments are
24 transferred to the Settlement Reserve Fund. The Attorney General shall take all
25 necessary actions to notify the court in the action entitled State of North Carolina v.
26 Philip Morris Incorporated, et al., 98 CVS 14377, in the General Court of Justice,
27 Superior Court Division, Wake County, North Carolina, and the administrators of the
28 State Specific Account established under the Master Settlement Agreement of this
29 action by the General Assembly redirecting this payment.

1 **SECTION 2.** Section 6 of S.L. 1999-2 reads as rewritten:

2 "**Section 6.** It is the intent of the General Assembly that the funds under the Master
3 Settlement Agreement, which is incorporated into the Consent Decree, be allocated as
4 follows:

- 5 (1) Fifty percent (50%) to the ~~nonprofit corporation as provided by the~~
6 Consent Decree. Settlement Reserve Fund established in
7 G.S. 143-16.4, to be appropriated by the General Assembly for health
8 programs.
- 9 (2) Twenty-five percent (25%) to a trust fund to be established by the
10 General Assembly for the benefit of tobacco producers, tobacco
11 allotment holders, and persons engaged in tobacco-related businesses,
12 with this trust fund to be governed by a board of trustees representing
13 these interests. To carry out this purpose, this trust fund may provide
14 direct and indirect financial assistance, in accordance with criteria
15 established by the trustees of the trust fund and to the extent allowed
16 by law, to (i) indemnify tobacco producers, allotment holders, and
17 persons engaged in tobacco-related businesses from the adverse
18 economic effects of the Master Settlement Agreement, (ii) compensate
19 tobacco producers and allotment holders for the economic loss
20 resulting from lost quota, and (iii) revitalize tobacco dependent
21 communities.
- 22 (3) Twenty-five percent (25%) to a trust fund to be established by the
23 General Assembly for the benefit of health, with this trust fund to be
24 governed by a board of trustees comprised of a broad representation of
25 health interests."

26 **SECTION 3.** G.S. 143C-9-3 reads as rewritten:

27 "**§ 143C-9-3. Settlement Reserve Fund.**

28 (a) The "Settlement Reserve Fund" is established as a restricted reserve in the
29 General Fund. Except as otherwise provided in this section, funds shall be expended
30 from the Settlement Reserve Fund only by specific appropriation by the General
31 Assembly.

32 (b) A Health Trust Account is established in the Settlement Reserve Fund. The
33 portion of each Master Settlement Agreement payment identified in ~~Section~~
34 6(3)Sections 6(1) and 6(3) of S.L. 1999-2 shall be credited to the Health Trust Account.
35 The State Controller shall transfer ~~all~~one-third of the funds in the Health Trust Account
36 to the Health and Wellness Trust Fund created in Article 6C of Chapter 147 of the
37 General Statutes. Statutes and two-thirds of the funds in the Health Trust Account to the
38 Department of Health and Human Services, Division of Medical Assistance, to reduce
39 the county share of the nonfederal share of Medicaid expenses, excluding administrative
40 costs.

41 (c) A Tobacco Trust Account is established in the Settlement Reserve Fund. The
42 portion of each Master Settlement Agreement payment identified in Section 6(2) of S.L.
43 1999-2 shall be credited to the Tobacco Trust Account. The State Controller shall

1 transfer all funds in the Tobacco Trust Account to the Tobacco Trust Fund created in
2 Article 75 of Chapter 143 of the General Statutes.

3 (d) Unless prohibited by federal law, federal funds provided to the State by block
4 grant or otherwise as part of federal legislation implementing a settlement between
5 United States tobacco companies and the states shall be credited to the Settlement
6 Reserve Fund. Unless otherwise encumbered or distributed under a settlement
7 agreement or final order or judgment of the court, funds paid to the State or a State
8 agency pursuant to a tobacco litigation settlement agreement, or a final order or
9 judgment of a court in litigation between tobacco companies and the states, shall be
10 credited to the Settlement Reserve Fund."

11 **SECTION 4.** This act becomes effective January 1, 2008.