

**FIRST ENGROSSMENT  
with Senate Amendments**

Fifty-sixth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1475**

Introduced by

Representative Dalrymple

Senator Nething

1 A BILL for an Act to provide for allocation of funds from settlements with tobacco product  
2 manufacturers; to create and enact a new subsection to section 54-44-04 of the North Dakota  
3 Century Code, relating to monitoring tobacco product manufacturers settlement funds by the  
4 office of management and budget; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. Tobacco settlement trust fund - Interest on fund - Uses.** There is  
7 created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco  
8 settlement dollars obtained by the state under sections IX (payments) and XI (calculation and  
9 disbursement of payments) of the master settlement agreement and consent agreement  
10 adopted by the east central judicial district court in its judgment entered December 28, 1998  
11 (Civil No. 98-3778). All moneys received by the state pursuant to the judgment and all moneys  
12 received by the state for enforcement of the judgment must be deposited in the fund. Interest  
13 earned on the fund must be credited to the fund and deposited in the fund. The principal and  
14 interest of the fund shall be appropriated for purposes only as follows:

- 15 1. Transfers to a community health trust fund to be administered by the state  
16 department of health. The state department of health may use funds as  
17 appropriated for community-based public health programs and other public health  
18 programs, including programs with emphasis on preventing or reducing tobacco  
19 usage in this state. Transfers under this subsection must equal ten percent of total  
20 annual transfers from the tobacco settlement trust fund.
- 21 2. Transfers to the common schools trust fund to become a part of the principal of  
22 that fund. Transfers under this subsection must equal forty-five percent of total  
23 annual transfers from the tobacco settlement trust fund.

1           3.   Transfers to the resources trust fund to be used to address the long-term water  
2                   development and management needs of the state. Transfers under this  
3                   subsection must equal forty-five percent of the total annual transfers from the  
4                   tobacco settlement trust fund.

5 Transfers to the funds under this section must be made within thirty days of receipt by the  
6 tobacco settlement trust fund.

7           **SECTION 2.** A new subsection to section 54-44-04 of the 1997 Supplement to the  
8 North Dakota Century Code is created and enacted as follows:

9                   Shall account for and monitor all funds received by the state from any tobacco  
10                   settlement dollars described in section 1 of this Act and all associated settlements  
11                   and related funds and shall report to the budget section of the legislative council on  
12                   the status of such funds, settlements, offsets, and net resulting revenues and any  
13                   other related information the budget section requires.

14           **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.