

**SENATE BILL NO. 2024**

Introduced by

Legislative Council

(Advisory Commission on Intergovernmental Relations)

1 A BILL for an Act to amend and reenact sections 54-27-25 and 61-02.1-05 of the North Dakota  
2 Century Code, relating to city and county employee tobacco education and cessation programs  
3 and interest earned on tobacco settlement trust funds.

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

5 **SECTION 1. AMENDMENT.** Section 54-27-25 of the 1999 Supplement to the North  
6 Dakota Century Code is amended and reenacted as follows:

7 **54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.** There is created  
8 in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco  
9 settlement dollars obtained by the state under sections IX (payments) and XI (calculation and  
10 disbursement of payments) of the master settlement agreement and consent agreement  
11 adopted by the east central judicial district court in its judgment entered December 28, 1998  
12 [Civil No. 98-3778]. All moneys received by the state pursuant to the judgment and all moneys  
13 received by the state for enforcement of the judgment must be deposited in the fund. Interest  
14 earned on the fund must be credited to the fund and deposited in the fund. The principal and  
15 interest of the fund must be allocated as follows:

16 1. Transfers to a community health trust fund to be administered by the state  
17 department of health. The state department of health may use ~~funds~~ moneys  
18 deposited in the fund, along with all interest earned on those moneys, as  
19 appropriated for community-based public health programs and other public health  
20 programs, including programs with emphasis on preventing or reducing tobacco  
21 usage in this state. The state department of health may use a portion of these  
22 funds for distribution to cities and counties on a dollar-for-dollar matching fund  
23 basis for city and county employee tobacco education and cessation programs.

1 Transfers under this subsection must equal ten percent of total annual transfers  
2 from the tobacco settlement trust fund.

3 2. Transfers to the common schools trust fund to become a part of the principal of  
4 that fund. Transfers under this subsection must equal forty-five percent of total  
5 annual transfers from the tobacco settlement trust fund.

6 3. Transfers to the water development trust fund to be used to address the long-term  
7 water development and management needs of the state. Transfers under this  
8 subsection must equal forty-five percent of the total annual transfers from the  
9 tobacco settlement trust fund. All interest earned on moneys in the water  
10 development trust fund must be deposited in the community health trust fund to be  
11 used as provided in subsection 1.

12 Notwithstanding the provisions of this section, during each biennium transfers that  
13 would be made to the common schools trust fund under subsection 2 must instead be  
14 transferred to the water development trust fund until the state water commission certifies to the  
15 state treasurer that deposits in the water development trust fund during that biennium are  
16 sufficient to pay the principal and interest for that biennium on bonds authorized under section  
17 61-02.1-01. When that certification is received, the state treasurer shall determine the amount  
18 deposited in the water development trust fund during that biennium and transfers that would be  
19 made to the water development trust fund under subsection 3 must instead be transferred to  
20 the common schools trust fund until deposits in the common schools trust fund during that  
21 biennium are equal to the amount deposited in the water development trust fund during that  
22 biennium or until the end of the biennium, whichever occurs first.

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

25 **SECTION 2. AMENDMENT.** Section 61-02.1-05 of the 1999 Supplement to the North  
26 Dakota Century Code is amended and reenacted as follows:

27 **61-02.1-05. Water development trust fund.** ~~Moneys received by the state pursuant to~~  
28 ~~the 1998 settlement agreement with tobacco product manufacturers, or any successor~~  
29 ~~agreement, and any earnings on these moneys, must be deposited in the water development~~  
30 ~~trust fund in the state treasury for use in paying~~ must be used to pay for bonds issued as  
31 provided in this chapter and for other water projects as provided in section 54-27-25 and

Fifty-seventh  
Legislative Assembly

- 1 subsection 23 of section 54-44-04. All interest earned on moneys in the water development
- 2 trust fund must be deposited in the community health trust fund.