

SENATE BILL NO. 2399

Introduced by

Senator Fischer

Representative Price

1 A BILL for an Act to amend and reenact section 54-27-25 of the North Dakota Century Code,
2 relating to the use of funds in the community health trust fund; and to provide an appropriation.

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

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

6 **54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.** There is created
7 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 must be allocated 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. Of the funds appropriated
21 to the state department of health from the community health trust fund:

22 a. The first one million dollars must be used by the department for public health
23 emergencies and to provide funding for the grant programs established under

- 1 this subsection, if necessary, based upon the anticipated timing of transfers to
2 be received from the tobacco settlement trust fund.
- 3 b. One million dollars must be used to provide state aid to local public health
4 units.
- 5 c. Two million dollars must be used to fund a healthy schools grant program that
6 provides grants to schools for preventive health programs.
- 7 d. Two million dollars must be used to fund a healthy communities grant
8 program. The eligibility criteria for the program must include a one hundred
9 percent matching funds requirement and must provide that grant eligibility is
10 based upon a community's effectiveness in enforcing state and local tobacco
11 seller and use laws and ordinances.
- 12 e. Seven hundred fifty thousand dollars must be used to fund a statewide
13 tobacco counter marketing media program.
- 14 f. Two hundred fifty thousand dollars must be used to provide antitobacco
15 materials and resources to the public.
- 16 2. Transfers to the common schools trust fund to become a part of the principal of
17 that fund. Transfers under this subsection must equal forty-five percent of total
18 annual transfers from the tobacco settlement trust fund.
- 19 3. Transfers to the water development trust fund to be used to address the long-term
20 water development and management needs of the state. Transfers under this
21 subsection must equal forty-five percent of the total annual transfers from the
22 tobacco settlement trust fund.

23 Notwithstanding the provisions of this section, during each biennium transfers that
24 would be made to the common schools trust fund under subsection 2 must instead be
25 transferred to the water development trust fund until the state water commission certifies to the
26 state treasurer that deposits in the water development trust fund during that biennium are
27 sufficient to pay the principal and interest for that biennium on bonds authorized under section
28 61-02.1-01. When that certification is received, the state treasurer shall determine the amount
29 deposited in the water development trust fund during that biennium and transfers that would be
30 made to the water development trust fund under subsection 3 must instead be transferred to
31 the common schools trust fund until deposits in the common schools trust fund during that

1 biennium are equal to the amount deposited in the water development trust fund during that
2 biennium or until the end of the biennium, whichever occurs first.

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

5 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
6 community health trust fund, not otherwise appropriated, the sum of \$7,000,000, or so much of
7 the sum as may be necessary, to the state department of health for the purpose of funding the
8 community health programs provided for in subsection 1 of section 54-27-25, for the biennium
9 beginning July 1, 2001, and ending June 30, 2003.