## MAINE STATE LEGISLATURE

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## 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

Legislative Document

No. 2191

S.P. 782

In Senate, April 13, 1999

An Act to Establish the Maine Tobacco Endowment Fund Using Tobacco Settlement Funds.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator AMERO of Cumberland.
Cosponsored by Representative CIANCHETTE of South Portland and
Senators: HARRIMAN of Cumberland, LIBBY of York, MILLS of Somerset,
Representatives: BUMPS of China, LEMONT of Kittery, SAVAGE of Union, SCHNEIDER
of Durham, SHOREY of Calais.

	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 5 MRSA §12004-F, sub-§18 is enacted to read:
4	
	18. Maine Tobacco Legislative 30-A MRSA §6025
6	Endowment Fund Board of Per Diem
	<u>Trustees</u>
8	C
10	Sec. 2. 30-A MRSA §6025 is enacted to read:
10	§6025. Maine Tobacco Endowment Fund
12	
	1. Fund created. The Maine Tobacco Endowment Fund,
14	referred to in this section as the "fund," is created. The fund
- <del>-</del> -	must be held separate and apart from all other money, funds and
16	accounts. Eligible investment earnings credited to the assets of
10	the fund become part of the assets of the fund. Any balance
18	remaining in the fund at the end of any year must be carried
10	
20	forward for the next fiscal year.
20	2 Commerce of money 111 average the Chate wavelings from
2.2	2. Sources of money. All proceeds the State receives from
22	the settlement agreement entered into on November 16, 1998 by the
	State and leading United States tobacco product manufacturers and
24	any other related settlement with or proceeds from tobacco
	product manufacturers must be deposited into the fund.
26	
	3. Allocation of fund. The realized net appreciation in
28	the fair value of the assets of the fund over the historic dollar
	value of the fund must be applied to the following programs:
30	
	A. The Healthy Start Program for Maine operated by the
32	Bureau of Health;
34	B. The Partnership for a Tobacco-Free Maine operated by the
	Tobacco Prevention and Control Program of the Bureau of
36	Health; and
38	C. The elderly low-cost drug program.
40	4. Board of trustees. The Maine Tobacco Endowment Fund
	Board of Trustees, established in Title 5, section 12004-F,
42	subsection 18, referred to in this section as the "board,"
	manages the fund in conformance with subsection 3. The board
44	consists of 9 members who represent or have an interest in
	anti-tobacco, family, children, elderly or general health issues
46	and who are appointed as follows:

2	A. Three members appointed by the Speaker of the House;
4	B. Three members appointed by the President of the Senate;
4	and
6	C. Three members appointed by the Governor.

The chair of the board is elected by a majority vote of the members. The board has all of the duties and authority specified under Title 13, chapter 97. The members of the board are entitled to per diem and reimbursement for expenses incurred in carrying out their duties under this section, according to Title

5, chapter 379.

5. Term on board. The term of the initial first named
member under subsection 4, paragraphs A, B and C is one year.
The term of the initial 2nd named member under subsection 4,
paragraphs A, B and C is 2 years. The term of all other members is 3 years.

6. Administration. The bank shall administer the fund under the direction and control of the board.

26 SUMMARY

This bill creates the Maine Tobacco Endowment Fund, referred to in this summary as the "fund," into which funds from any settlement with the tobacco industry must be placed. As an endowment fund, the fund does not expend its principal but rather only the interest that is incurred through investments. The fund is governed by a 9-member board whose members represent or have an interest in anti-tobacco, family, child, elderly or general health issues. Proceeds for the fund benefit 3 programs: The Healthy Start Program for Maine, operated by the Bureau of Health; the Partnership for a Tobacco-Free Maine, operated by the Tobacco Prevention and Control Program of the Bureau of Health and the elderly low-cost drug program.