



January 28, 2000

SENATE BILL No. 108

DIGEST OF SB 108 (Updated January 27, 2000 2:29 PM - DI 44)

Citations Affected: IC 4-12; noncode.

Synopsis: Disposition of tobacco settlement funds. Establishes the Indiana tobacco master settlement agreement fund. Provides that all money received by the state under the master settlement agreement shall be deposited in the fund. Subject to certain limitations, provides that up to 50% of the money deposited in the fund during each calendar year may be expended if authorized by another statute. Prohibits expenditure of other money deposited in the fund. Prohibits expenditure of interest on the fund unless specifically appropriated. Establishes a tobacco use prevention and cessation authority and trust fund to provide grants for a long range state plan to reduce the use of tobacco and tobacco products. Provides that expenditures of state funds by state agencies or other public or private entities for programs concerning reduction of tobacco usage are subject to approval by the authority. Establishes other funds to provide distributions for certain health care programs, the Indiana twenty-first century research and technology fund, local health departments, certain programs to address the needs of the elderly, and development of new agricultural enterprises and assistance to rural communities that suffer a negative economic impact from the loss of tobacco production. Makes transitional amendments concerning the existing tobacco settlement fund and appropriations made by the 1999 budget for the children's health insurance program.

Effective: July 1, 2000; July 1, 2001.

Borst, Johnson, Miller, Simpson

November 18, 1999, read first time and referred to Committee on Finance.
January 28, 2000, amended, reported favorably — Do Pass.

SB 108—LS 6408/DI 44+



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January 28, 2000

Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

SENATE BILL No. 108

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-12-1-14.3, AS ADDED BY P.L.273-1999,
2 SECTION 232, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2000]: Sec. 14.3. (a) **As used in this section,**
4 **"master settlement agreement" has the meaning set forth in**
5 **IC 24-3-3-6.**

6 (b) There is hereby created the **Indiana tobacco master settlement**
7 **agreement** fund for the purpose of depositing **and distributing money**
8 **received under the master settlement agreement. The fund consists**
9 **of:**

10 (1) **all** money received by the state ~~from~~ **under** the master
11 settlement agreement; ~~with the United States² tobacco product~~
12 ~~manufacturers.~~

13 (2) **appropriations made to the fund by the general assembly;**
14 **and**

15 (3) **grants, gifts, and donations intended for deposit in the**
16 **fund.**

17 (c) **Money may be expended, transferred, or distributed from**

SB 108—LS 6408/DI 44+



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1 the fund during a state fiscal year only in amounts permitted by
 2 subsections (d) through (f), and only if the expenditures, transfers,
 3 or distributions are specifically authorized by another statute.

4 (d) The maximum amount of expenditures, transfers, or
 5 distributions that may be made from the fund during the state
 6 fiscal year beginning July 1, 2000, is equal to the amount
 7 appropriated by P.L.273-1999, SECTION 8, for that state fiscal
 8 year to the children's health insurance program from funds
 9 accruing to the state from the tobacco settlement.

10 (e) The maximum amount of expenditures, transfers, or
 11 distributions that may be made from the fund during the state
 12 fiscal year beginning July 1, 2001, is determined under STEP
 13 THREE of the following formula:

14 STEP ONE: Determine the sum of the money received or to
 15 be received by the state under the master settlement
 16 agreement during the calendar years beginning January 1,
 17 1999, January 1, 2000, and January 1, 2001.

18 STEP TWO: Subtract from the STEP ONE sum the sum of
 19 the amounts appropriated by P.L.273-1999, SECTION 8, to
 20 the children's health insurance program for the state fiscal
 21 years beginning July 1, 1999, and July 1, 2000.

22 STEP THREE: Multiply the STEP TWO remainder by fifty
 23 percent (50%).

24 (f) The maximum amount of expenditures, transfers, or
 25 distributions that may be made from the fund during the state
 26 fiscal year beginning July 1, 2002, and each state fiscal year after
 27 that is equal to fifty percent (50%) of the money received or to be
 28 received by the state under the master settlement agreement
 29 during the calendar year in which the state fiscal year begins.

30 (g) The following amounts shall be retained in the fund and may
 31 not be expended, transferred, or otherwise distributed from the
 32 fund:

33 (1) All of the money that is received by the state under the
 34 master settlement agreement and remains in the fund after
 35 the expenditures, transfers, or distributions permitted under
 36 subsections (c) through (f).

37 (2) All interest that accrues from investment of money in the
 38 fund, unless specifically appropriated by the general
 39 assembly.

40 (h) The fund shall be administered by the budget agency. The
 41 treasurer of state shall invest the money in the fund not currently
 42 needed to meet the obligations of the fund in the same manner as ~~other~~

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1 public money is invested **under IC 5-13**. Interest that accrues from
 2 these investments shall be deposited in the fund. Money in the fund at
 3 the end of the state fiscal year does not revert to the state general fund.

4 **(i) The state general fund is not liable for payment of a shortfall**
 5 **in expenditures, transfers, or distributions from the Indiana**
 6 **tobacco master settlement agreement fund or any other fund due**
 7 **to a delay, reduction, or cancellation of payments scheduled to be**
 8 **received by the state under the master settlement agreement. If**
 9 **such a shortfall occurs in any state fiscal year, all expenditures,**
 10 **transfers, and distributions affected by the shortfall shall be**
 11 **reduced proportionately.**

12 SECTION 2. IC 4-12-4 IS ADDED TO THE INDIANA CODE AS
 13 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2001]:

15 **Chapter 4. Indiana Tobacco Use Prevention and Cessation**
 16 **Trust Fund**

17 **Sec. 1. As used in this chapter, "authority" refers to the Indiana**
 18 **tobacco use prevention and cessation authority created by section**
 19 **5 of this chapter.**

20 **Sec. 2. As used in this chapter, "board" refers to the board of**
 21 **directors of the authority created by section 7 of this chapter.**

22 **Sec. 3. As used in this chapter, "fund" refers to the Indiana**
 23 **tobacco use prevention and cessation trust fund created by section**
 24 **13 of this chapter.**

25 **Sec. 4. As used in this chapter, "master settlement agreement"**
 26 **has the meaning set forth in IC 24-3-3-6.**

27 **Sec. 5. The Indiana tobacco use prevention and cessation**
 28 **authority is created.**

29 **Sec. 6. (a) The authority is a body corporate and politic.**

30 **(b) The authority is:**

31 **(1) not an agency of the state; and**

32 **(2) an instrumentality of the state performing essential**
 33 **governmental functions.**

34 **Sec. 7. (a) The board of directors of the authority is established.**
 35 **The board consists of the following:**

36 **(1) The following two (2) ex officio members:**

37 **(A) The state superintendent of public instruction, or the**
 38 **state superintendent's designee.**

39 **(B) The attorney general, or the attorney general's**
 40 **designee.**

41 **(2) Eleven (11) members who are appointed by the governor**
 42 **and have knowledge, skill, and experience in smoking**



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1 reduction and cessation programs, health care services, or
2 preventive health care measures.

3 (3) Five (5) members who are appointed by the governor upon
4 the recommendation of the following organizations:

5 (A) The American Cancer Society.

6 (B) The American Heart Association, Indiana Affiliate.

7 (C) The American Lung Association of Indiana.

8 (D) The Indiana Hospital and Health Association.

9 (E) The Indiana State Medical Association.

10 (b) During a member's term of service on the board, an
11 appointed member of the board may not be an official or employee
12 of the state.

13 (c) Not more than six (6) members of the board appointed under
14 subsection (a)(2) may belong to the same political party.

15 (d) A member appointed under subsection (a)(2) serves a four
16 (4) year term and shall hold over after the expiration of the
17 member's term until the member's successor is appointed and
18 qualified. A member appointed under subsection (a)(3) serves until
19 the member resigns or is removed from the board by the governor
20 upon the recommendation of the organization that made the
21 original recommendation for appointment of the member.

22 (e) The governor may reappoint an appointed member of the
23 board.

24 (f) A vacancy with respect to a member appointed under
25 subsection (a)(2) shall be filled for the balance of an unexpired
26 term in the same manner as the original appointment. A vacancy
27 with respect to a member appointed under subsection (a)(3) shall
28 be filled in the same manner as the original appointment.

29 (g) The governor shall designate a member to serve as
30 chairperson of the board. The board shall annually elect one (1) of
31 its ex officio members as vice chairperson and may elect any other
32 officer that the board desires.

33 (h) The governor may remove a member appointed under
34 subsection (a)(2) for misfeasance, malfeasance, willful neglect of
35 duty, or other cause after notice and a public hearing, unless the
36 member expressly waives the notice and hearing in writing. The
37 governor may remove a member appointed under subsection (a)(3)
38 upon the recommendation of the organization that made the
39 original recommendation for appointment of the member.

40 Sec. 8. (a) An appointed member of the board who is not a state
41 employee is entitled to the minimum salary per diem provided by
42 IC 4-10-11-2.1(b). Each appointed member is entitled to

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1 reimbursement for traveling expenses and other expenses actually
2 incurred in connection with the member's duties.

3 (b) An ex officio member of the board is entitled to
4 reimbursement for traveling expenses and other expenses actually
5 incurred in connection with the member's duties.

6 **Sec. 9. The board may:**

7 (1) employ an executive director, who is not a member of the
8 board; and

9 (2) delegate necessary and appropriate functions and
10 authority to the executive director.

11 **Sec. 10. (a) Ten (10) members of the board constitute a quorum
12 for:**

13 (1) the transaction of business at a meeting of the board; or

14 (2) the exercise of a power or function of the authority.

15 (b) The affirmative vote of a majority of all the members of the
16 board is necessary for the authority to take action. A vacancy in
17 the membership of the board does not impair the right of a quorum
18 to exercise all the rights and perform all the duties of the authority.

19 (c) The board shall meet at the call of the chairperson and as
20 provided in the bylaws of the authority.

21 **Sec. 11. (a) The authority is a public agency for purposes of
22 IC 5-14-1.5 and IC 5-14-3.**

23 (b) The board is a governing body for purposes of IC 5-14-1.5.

24 **Sec. 12. In addition to any other power granted by this chapter,
25 the board may:**

26 (1) adopt an official seal and alter the seal at its pleasure;

27 (2) adopt and periodically amend and repeal bylaws for the
28 regulation of its affairs and the conduct of its business and
29 prescribe rules and policies in connection with the
30 performance of its functions and duties;

31 (3) accept gifts, devises, bequests, grants, loans,
32 appropriations, revenue sharing, other financing and
33 assistance, and any other aid from any source and agree to
34 and comply with conditions attached to that aid;

35 (4) make, execute, and effectuate any and all contracts,
36 agreements, or other documents with any governmental
37 agency or any person, corporation, limited liability company,
38 association, partnership, or other organization or entity
39 necessary or convenient to accomplish the purposes of this
40 chapter, including contracts for the provision of all or any
41 portion of the services the board considers necessary for the
42 management and operations of the authority, including all



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1 funds of the authority;

2 (5) recommend legislation to the governor and general
3 assembly;

4 (6) sue and be sued; and

5 (7) do any and all acts and things necessary, proper, or
6 convenient to carry out this article.

7 **Sec. 13. (a) The Indiana tobacco use prevention and cessation**
8 **trust fund is established. The board may expend money from the**
9 **fund and make grants from the fund to implement the long range**
10 **state plan established under section 14 of this chapter. General**
11 **operating, administrative, and capital expenses of the authority are**
12 **also payable from the fund.**

13 (b) The fund consists of:

14 (1) amounts, if any, that another statute requires to be
15 distributed to the fund from the Indiana tobacco master
16 settlement agreement fund;

17 (2) appropriations to the fund from other sources;

18 (3) grants, gifts, and donations intended for deposit in the
19 fund; and

20 (4) interest that accrues from money in the fund.

21 (c) The fund shall be administered by the authority. The
22 treasurer of state shall invest the money in the fund not currently
23 needed to meet the obligations of the fund in the same manner as
24 public money is invested under IC 5-13. Money in the fund at the
25 end of a state fiscal year does not revert to the state general fund.

26 (d) All income and assets of the authority deposited in the fund
27 are for the use of the authority without appropriation, but revert
28 to the state general fund if the authority is dissolved.

29 **Sec. 14. (a) The board shall develop:**

30 (1) a mission statement concerning prevention and reduction
31 of the usage of tobacco and tobacco products in Indiana,
32 including:

33 (A) emphasis on prevention and reduction of tobacco use
34 by minorities, pregnant women, and youth;

35 (B) encouragement of smoking cessation;

36 (C) production and distribution of information concerning
37 the dangers of tobacco use;

38 (D) providing research on issues related to reduction of
39 tobacco use; and

40 (E) other activities that the board considers necessary and
41 appropriate for inclusion in the mission statement; and

42 (2) a long range state plan for:

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1 (A) the provision of services by the authority, public or
 2 private entities, and individuals to implement the board's
 3 mission statement; and

4 (B) the coordination of state efforts to reduce usage of
 5 tobacco and tobacco products.

6 The board shall update the mission statement and long range state
 7 plan as necessary to carry out the purposes of this chapter.

8 (b) The long range state plan must:

9 (1) cover a period of at least five (5) years;

10 (2) include base line data concerning tobacco usage;

11 (3) set forth specific goals for prevention and reduction of
 12 tobacco usage in Indiana; and

13 (4) be made available to the governor, the general assembly,
 14 and any other appropriate state or federal agency.

15 Sec. 15. A public or private entity or an individual may submit
 16 an application to the board for a grant from the fund. Each
 17 application must be in writing and contain the following
 18 information:

19 (1) A clear objective to be achieved with the grant.

20 (2) A plan for implementation of the specific program.

21 (3) A statement of the manner in which the proposed program
 22 will further the goals of the board's mission statement and
 23 long range state plan.

24 (4) The amount of the grant requested.

25 (5) An evaluation and assessment component to determine the
 26 program's performance.

27 (6) Any other information required by the board.

28 The board may adopt written guidelines to establish procedures,
 29 forms, additional evaluation criteria, and application deadlines.

30 Sec. 16. The expenditure of state funds (other than a grant
 31 awarded under this chapter) for a program concerning prevention
 32 or reduction of tobacco usage that is operated by a state agency or
 33 a public or private entity is subject to the approval of the board.
 34 The state agency or public or private entity shall submit a
 35 description of the proposed expenditure to the board for the
 36 board's review and approval. The description submitted under this
 37 section must include the following:

38 (1) The objective to be achieved through the expenditure.

39 (2) The plan for implementation of the expenditure.

40 (3) The extent to which the expenditure will supplement or
 41 duplicate existing expenditures of other state agencies, public
 42 or private entities, or the authority.



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1 **Sec. 17.** The authority shall prepare an annual financial report
 2 and an annual report concerning the authority's activities under
 3 this chapter and promptly transmit the annual reports to the
 4 governor and the general assembly. The authority shall make the
 5 annual reports available to the public upon request.

6 **Sec. 18.** Before the board awards any grants under this chapter
 7 or otherwise expends any money from the fund, the:

- 8 (1) chairperson;
 9 (2) vice chairperson;
 10 (3) executive director; and
 11 (4) any officer elected by the authority or member of the
 12 authority authorized by resolution to handle funds or sign
 13 checks;

14 shall execute a surety bond in the penal sum of one hundred
 15 thousand dollars (\$100,000). The surety bond shall be conditioned
 16 upon the faithful performance of the duties of the office of the
 17 principal and shall be executed by a surety company authorized to
 18 transact business in Indiana. The authority shall pay the cost of the
 19 bonds.

20 **Sec. 19.** The funds, accounts, management, and operations of the
 21 authority are subject to annual audit by the state board of
 22 accounts.

23 **Sec. 20.** Because the management and operation of the programs
 24 and funds established under this chapter constitute the
 25 performance of an essential public function, the following are
 26 exempt from taxation by the state and by any political subdivision
 27 of the state:

- 28 (1) The authority's management and operations.
 29 (2) The authority's property and assets.
 30 (3) All property and assets held by or for the authority.
 31 (4) The investment income and earnings on:
 32 (A) the authority's property and assets; and
 33 (B) all property and assets held by or for the authority;
 34 including all funds established under this chapter.

35 SECTION 3. IC 4-12-5 IS ADDED TO THE INDIANA CODE AS
 36 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2001]:

38 **Chapter 5. Indiana Health Care Trust Fund**

39 **Sec. 1.** As used in this chapter, "fund" refers to the Indiana
 40 health care trust fund established by section 3 of this chapter.

41 **Sec. 2.** As used in this chapter, "master settlement agreement"
 42 has the meaning set forth in IC 24-3-3-6.



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1 **Sec. 3. (a) The Indiana health care trust fund is established for**
 2 **the purpose of promoting the health of the citizens of Indiana. The**
 3 **fund consists of:**

- 4 (1) amounts, if any, that another statute requires to be
 5 distributed to the fund from the Indiana tobacco master
 6 settlement agreement fund;
 7 (2) appropriations to the fund from other sources;
 8 (3) grants, gifts, and donations intended for deposit in the
 9 fund; and
 10 (4) interest that accrues from money in the fund.

11 **(b) The fund shall be administered by the budget agency. The**
 12 **treasurer of state shall invest the money in the fund not currently**
 13 **needed to meet the obligations of the fund in the same manner as**
 14 **public money is invested under IC 5-13. Money in the fund at the**
 15 **end of the state fiscal year does not revert to the state general fund.**

16 **Sec. 4. Subject to appropriation by the general assembly, review**
 17 **by the budget committee, and approval by the budget agency, the**
 18 **treasurer of state shall distribute money from the fund to public or**
 19 **private entities or individuals for the implementation of programs**
 20 **concerning one (1) or more of the following purposes:**

- 21 (1) Enforcement of laws concerning sales of tobacco to youth
 22 and use of tobacco by youth.
 23 (2) The children's health insurance program established
 24 under IC 12-17.6.
 25 (3) Cancer detection tests.
 26 (4) Cancer education programs.
 27 (5) Medical assistance to low income individuals whose health
 28 has been affected by tobacco use.
 29 (6) Clinics providing vaccinations against communicable
 30 diseases, with an emphasis on service to youth and the elderly.
 31 (7) Clinics providing health care services and preventive
 32 measures that address the special health care needs of
 33 minorities (as defined in IC 16-46-6-2).
 34 (8) Clinics providing health care services and preventive
 35 measures in rural areas.
 36 (9) Other purposes recommended by the Indiana health care
 37 trust fund advisory board established by section 5 of this
 38 chapter.

39 **However, money in the fund may not be used to pay any costs**
 40 **related to the construction, expansion, repair, or renovation of**
 41 **facilities or infrastructure.**

42 **Sec. 5. (a) The Indiana health care trust fund advisory board is**

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1 established. The advisory board shall meet at least quarterly and
2 at the call of the chairperson to make recommendations to the
3 governor, the budget agency, and the general assembly concerning
4 the priorities for appropriation and distribution of money from the
5 fund.

6 (b) The advisory board consists of the following:

7 (1) The following three (3) ex officio members:

8 (A) The director of the budget agency or the director's
9 designee.

10 (B) The commissioner of the state department of health or
11 the commissioner's designee.

12 (C) The secretary of family and social services or the
13 secretary's designee.

14 (2) Two (2) members of the senate, who may not be members
15 of the same political party, appointed by the president pro
16 tempore of the senate.

17 (3) Two (2) members of the house of representatives, who may
18 not be members of the same political party, appointed by the
19 speaker of the house.

20 (4) A member of a local board of health (as defined in
21 IC 16-46-1-7) appointed by the governor.

22 (5) A member appointed by the governor upon the
23 recommendation of the Indiana State Medical Association.

24 (6) A member appointed by the governor who has knowledge
25 and experience in the special health needs of minorities.

26 (7) A representative of the Indiana health care association
27 appointed by the governor.

28 (c) The term of office of a legislative member of the advisory
29 board is four (4) years. However, a legislative member of the
30 advisory board ceases to be a member of the advisory board if the
31 member:

32 (1) is no longer a member of the chamber from which the
33 member was appointed; or

34 (2) is removed from the advisory board under subsection (d).

35 (d) A legislative member of the advisory board may be removed
36 at any time by the appointing authority who appointed the
37 legislative member.

38 (e) The term of office of a member of the advisory board
39 appointed under subsection (b)(4) through (b)(7) is four (4) years.
40 However, these members serve at the pleasure of the governor and
41 may be removed for any reason.

42 (f) If a vacancy exists on the advisory board with respect to a

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1 legislative member or the members appointed under subsection
 2 (b)(4) through (b)(7), the appointing authority who appointed the
 3 former member whose position has become vacant shall appoint an
 4 individual to fill the vacancy for the balance of the unexpired term.

5 (g) The budget director shall serve as chairperson of the
 6 advisory board.

7 (h) Six (6) members of the advisory board constitute a quorum
 8 for the transaction of business at a meeting of the advisory board.
 9 The affirmative vote of at least six (6) members of the advisory
 10 board is necessary for the advisory board to take action.

11 (i) Each member of the advisory board who is not a state
 12 employee is not entitled to the minimum salary per diem provided
 13 by IC 4-10-11-2.1(b). The member is, however, entitled to
 14 reimbursement for traveling expenses as provided under
 15 IC 4-13-1-4 and other expenses actually incurred in connection
 16 with the member's duties as provided in the state policies and
 17 procedures established by the Indiana department of
 18 administration and approved by the budget agency.

19 (j) Each member of the advisory board who is a state employee
 20 but who is not a member of the general assembly is entitled to
 21 reimbursement for traveling expenses as provided under
 22 IC 4-13-1-4 and other expenses actually incurred in connection
 23 with the member's duties as provided in the state policies and
 24 procedures established by the Indiana department of
 25 administration and approved by the budget agency.

26 (k) Each member of the advisory board who is a member of the
 27 general assembly is entitled to receive the same per diem, mileage,
 28 and travel allowances paid to legislative members of interim study
 29 committees established by the legislative council. Per diem,
 30 mileage, and travel allowances paid under this subsection shall be
 31 paid from appropriations made to the legislative council or the
 32 legislative services agency.

33 **Sec. 6. Appropriations and distributions from the fund under**
 34 **this chapter are in addition to and not in place of other**
 35 **appropriations or distributions made for the same purpose.**

36 SECTION 4. IC 4-12-6 IS ADDED TO THE INDIANA CODE AS
 37 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 2001]:

39 **Chapter 6. Biomedical Research and Technology Trust Fund**

40 **Sec. 1. As used in this chapter, "fund" refers to the biomedical**
 41 **research and technology trust fund established by section 3 of this**
 42 **chapter.**



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1 **Sec. 2.** As used in this chapter, "master settlement agreement"
2 has the meaning set forth in IC 24-3-3-6.

3 **Sec. 3. (a)** The biomedical research and technology trust fund is
4 established for the purpose of making distributions to the Indiana
5 twenty-first century research and technology fund established by
6 IC 4-4-5.1. The fund consists of:

7 (1) amounts, if any, that another statute requires to be
8 distributed to the fund from the Indiana tobacco master
9 settlement agreement fund;

10 (2) grants, gifts, and donations intended for deposit in the
11 fund; and

12 (3) interest that accrues from money in the fund.

13 **(b)** The fund shall be administered by the budget agency. The
14 treasurer of state shall invest the money in the fund not currently
15 needed to meet the obligations of the fund in the same manner as
16 public money is invested under IC 5-13. Money in the fund at the
17 end of the state fiscal year does not revert to the state general fund.

18 **Sec. 4.** Subject to appropriation by the general assembly, review
19 by the budget committee, and approval by the budget agency, the
20 treasurer of state shall distribute money from the fund to the
21 Indiana twenty-first century research and technology fund. In
22 using the money distributed to the Indiana twenty-first century
23 research and technology fund under this chapter, the Indiana
24 twenty-first century research and technology fund board shall give
25 priority to support of research initiatives that address tobacco
26 related illnesses.

27 **Sec. 5.** Appropriations and distributions from the fund under
28 this chapter are in addition to and not in place of other
29 appropriations or distributions made for the same purpose.

30 SECTION 5. IC 4-12-7 IS ADDED TO THE INDIANA CODE AS
31 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
32 1, 2001]:

33 **Chapter 7. Indiana Local Health Department Trust Fund**

34 **Sec. 1.** As used in this chapter, "fund" refers to the Indiana local
35 health department trust fund established by section 4 of this
36 chapter.

37 **Sec. 2.** As used in this chapter, "local board of health" means
38 the board of a:

39 (1) county health department established under IC 16-20-2;

40 (2) multiple county health department established under
41 IC 16-20-3;

42 (3) city health department established under IC 16-20-4; or



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1 (4) health and hospital corporation established under
2 IC 16-22-8.

3 Sec. 3. As used in this chapter, "master settlement agreement"
4 has the meaning set forth in IC 24-3-3-6.

5 Sec. 4. (a) The Indiana local health department trust fund is
6 established for the purpose of making distributions to each county
7 to provide funding for services provided by local boards of health
8 in that county. The fund consists of:

9 (1) money required to be distributed to the fund under
10 subsection (b);

11 (2) additional amounts, if any, that another statute requires to
12 be distributed to the fund from the Indiana tobacco master
13 settlement agreement fund;

14 (3) appropriations to the fund from other sources;

15 (4) grants, gifts, and donations intended for deposit in the
16 fund; and

17 (5) interest that accrues from money in the fund.

18 (b) Six million nine hundred thousand dollars (\$6,900,000) of the
19 money received by the state under the master settlement
20 agreement during each calendar year beginning on or after
21 January 1, 2001, shall be distributed to the fund from the Indiana
22 tobacco master settlement agreement fund.

23 (c) The fund shall be administered by the budget agency. The
24 treasurer of state shall invest the money in the fund not currently
25 needed to meet the obligations of the fund in the same manner as
26 public money is invested under IC 5-13. Money in the fund at the
27 end of the state fiscal year does not revert to the state general fund.

28 Sec. 5. (a) Subject to subsection (b) and subject to review by the
29 budget committee and approval by the budget agency, on July 1 of
30 each year the treasurer of state shall distribute money from the
31 fund to each county in the amount determined under STEP FOUR
32 of the following formula:

33 STEP ONE: Determine the amount of money, if any, available
34 for distribution from the fund.

35 STEP TWO: Subtract nine hundred twenty thousand dollars
36 (\$920,000) from the amount determined under STEP ONE.

37 STEP THREE: Multiply the STEP TWO remainder by a
38 fraction. The numerator of the fraction is the population of
39 the county. The denominator of the fraction is the population
40 of the state.

41 STEP FOUR: Add ten thousand dollars (\$10,000) to the STEP
42 THREE product.

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1 (b) If less than nine hundred twenty thousand dollars (\$920,000)
 2 is available for distribution from the fund on July 1 of any year,
 3 the amount of the distribution from the fund to each county is
 4 determined under STEP 2 of the following formula.

5 STEP ONE: Determine the amount of money, if any, available
 6 for distribution from the fund.

7 STEP TWO: Multiply the STEP ONE amount by a fraction.

8 The numerator of the fraction is the population of the county.

9 The denominator of the fraction is the population of the state.

10 Sec. 6. If only one (1) local board of health exists in a county, the
 11 county fiscal body shall appropriate all distributions received by
 12 the county under this chapter to that local board of health. If more
 13 than one (1) local board of health exists in a county, the county
 14 fiscal body shall appropriate all distributions received by the
 15 county under this chapter to those local boards of health in
 16 amounts determined by the county fiscal body.

17 Sec. 7. In using money distributed under this chapter, a local
 18 board of health shall give priority to:

- 19 (1) programs that share common goals with the mission
 20 statement and long range state plan established by the
 21 Indiana tobacco use prevention and cessation authority;
 22 (2) preventive health measures; and
 23 (3) support for medical clinics that treat low income persons
 24 and the elderly.

25 Sec. 8. Appropriations and distributions from the fund under
 26 this chapter are in addition to and not in place of other
 27 appropriations or distributions made for the same purpose.

28 Sec. 9. Money in the fund is annually appropriated for the
 29 purposes described in this chapter.

30 SECTION 6. IC 4-12-9 IS ADDED TO THE INDIANA CODE AS
 31 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2001]:

33 **Chapter 9. Indiana Elderly Well Being Trust Fund**

34 Sec. 1. As used in this chapter, "fund" refers to the Indiana
 35 elderly well being trust fund established by section 2 of this
 36 chapter.

37 Sec. 2. (a) The Indiana elderly well being trust fund is
 38 established for the purpose of promoting the health and welfare of
 39 Indiana's elderly citizens. The fund consists of:

- 40 (1) amounts, if any, that another statute requires to be
 41 distributed to the fund from the Indiana tobacco master
 42 settlement agreement fund;



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- 1 (2) appropriations to the fund from other sources;
- 2 (3) grants, gifts, and donations intended for deposit in the
- 3 fund; and
- 4 (4) interest that accrues from money in the fund.

5 (b) The fund shall be administered by the budget agency. The
6 treasurer of state shall invest the money in the fund not currently
7 needed to meet the obligations of the fund in the same manner as
8 public money is invested under IC 5-13. Money in the fund at the
9 end of the state fiscal year does not revert to the state general fund.

10 **Sec. 3. Subject to appropriation by the general assembly, review**
11 **by the budget committee, and approval by the budget agency, the**
12 **treasurer of state shall distribute money from the fund to public or**
13 **private entities or individuals for the implementation of programs**
14 **to provide services to Indiana's elderly citizens with respect to**
15 **housing, employment, education and training, medical care, long**
16 **term care, preventive care, protective services, social services,**
17 **mental health, transportation, insurance, and other related**
18 **matters.**

19 **Sec. 4. Appropriations and distributions from the fund under**
20 **this chapter are in addition to and not in place of other**
21 **appropriations or distributions made for the same purpose.**

22 SECTION 7. IC 4-12-10 IS ADDED TO THE INDIANA CODE AS
23 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
24 1, 2001]:

25 **Chapter 10. Rural Community Impact Fund**

26 **Sec. 1. As used in this chapter, "fund" refers to the rural**
27 **community impact fund established by section 2 of this chapter.**

28 **Sec. 2. (a) The rural community impact fund is established. The**
29 **fund shall be administered by the commissioner of agriculture and**
30 **the department of commerce. The fund consists of:**

- 31 (1) amounts, if any, that another statute requires to be
- 32 distributed to the fund from the Indiana tobacco master
- 33 settlement agreement fund;
- 34 (2) appropriations to the fund from other sources;
- 35 (3) grants, gifts, and donations intended for deposit in the
- 36 fund; and
- 37 (4) interest that accrues from money in the fund.

38 (b) The expenses of administering the fund shall be paid from
39 money in the fund.

40 (c) The treasurer of state shall invest the money in the fund not
41 currently needed to meet the obligations of the fund in the same
42 manner as other public money may be invested.

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1 (d) Money in the fund at the end of the state fiscal year does not
2 revert to the state general fund.

3 Sec. 3. (a) Subject to subsection (b), money in the fund shall be
4 used for the following purposes:

5 (1) To develop new agricultural enterprises in areas that were
6 used for tobacco production, including facilities for research
7 and development, new market opportunities, educational
8 programs, leadership developmental programs, and direct
9 financial assistance.

10 (2) Assistance to rural communities that suffer a negative
11 economic impact from the loss of tobacco production.

12 (b) Expenditures from the fund are subject to appropriation by
13 the general assembly, review by the budget committee, and
14 approval by the budget agency. In addition, the commissioner of
15 agriculture shall approve expenditures for projects under
16 subsection (a)(1), and the department of commerce shall approve
17 money for projects under subsection (a)(2).

18 SECTION 8. [EFFECTIVE JULY 1, 2000] (a) All money
19 remaining in the tobacco settlement fund on June 30, 2000, shall be
20 transferred to the Indiana tobacco master settlement agreement
21 fund established by IC 4-12-1-14.3, as amended by this act, on July
22 1, 2000.

23 (b) Notwithstanding P.L.273-1999 or IC 4-12-1-14.3, as
24 amended by this act, the appropriations made by P.L.273-1999,
25 SECTION 8, for the state fiscal year beginning July 1, 2000, for
26 CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)
27 ASSISTANCE and CHILDREN'S HEALTH INSURANCE
28 PROGRAM (CHIP) ADMINISTRATION are payable from the
29 Indiana tobacco master settlement agreement fund established by
30 IC 4-12-1-14.3, as amended by this act.

31 (c) This SECTION expires July 1, 2002.

32 SECTION 9. [EFFECTIVE JULY 1, 2001] (a) Notwithstanding
33 IC 4-12-4-7, as added by this act, the initial terms of office of the
34 eleven (11) members appointed by the governor to the board of
35 directors of the Indiana tobacco use prevention and cessation
36 authority under IC 4-12-4-7(a)(2), as added by this act, are as
37 follows:

38 (1) Three (3) members for a term of two (2) years.

39 (2) Four (4) members for a term of three (3) years.

40 (3) Four (4) members for a term of four (4) years.

41 (b) The initial terms begin July 1, 2001.

42 (c) This SECTION expires July 1, 2005.

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SENATE MOTION

Mr. President: I move that Senator Simpson be added as coauthor of Senate Bill 108.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 108, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 40, delete "Eight (8)" and insert "**Eleven (11)**".

Page 4, line 11, delete "four (4)" and insert "**six (6)**".

Page 5, line 8, delete "Eight (8)" and insert "**Ten (10)**".

Page 6, line 11, delete "money received by the state" and insert "**the Indiana tobacco master settlement agreement fund;**".

Page 6, delete line 12.

Page 6, line 17, delete "The board shall establish and implement investment policies" and insert "**The fund shall be administered by the authority. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as public money is invested under IC 5-13. Money in the fund at the end of a state fiscal year does not revert to the state general fund.**".

Page 6, delete line 18.

Page 6, line 30, delete "and".

Page 6, line 32, delete "." and insert "**; and**".

Page 6, between lines 32 and 33, begin a new line double block indented and insert:

"(E) other activities that the board considers necessary and appropriate for inclusion in the mission statement; and".

Page 7, line 20, delete "A" and insert "**The expenditure of state funds (other than a grant awarded under this chapter) for a**".

Page 7, line 21, delete "established" and insert "**operated**".

Page 7, line 21, delete "after June 30," and insert "**or a public or private entity**".

Page 7, line 22, delete "2001,".

Page 7, line 22, after "agency" insert "**or public or private entity**".

Page 7, line 23, delete "program" and insert "**expenditure**".

Page 7, line 24, delete "program".

Page 7, line 26, delete "program" and insert "**expenditure**".

Page 7, line 27, delete "program" and insert "**expenditure**".

Page 7, line 28, delete "program" and insert "**expenditure**".

Page 7, line 29, delete "programs" and insert "**expenditures**".

Page 7, line 29, after "agencies" insert "**, public or private entities,**".

Page 8, line 34, delete "money received by the state" and insert "**the**

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Indiana tobacco master settlement agreement fund;".

Page 8, delete line 35.

Page 9, between lines 21 and 22, begin a new line block indented and insert:

"(9) Other purposes recommended by the Indiana health care trust fund advisory board established by section 5 of this chapter.

However, money in the fund may not be used to pay any costs related to the construction, expansion, repair, or renovation of facilities or infrastructure."

Page 9, line 29, delete "four (4)" and insert "**three (3)**".

Page 9, delete lines 36 through 37.

Page 10, between lines 2 and 3, begin a new line block indented and insert:

"(5) A member appointed by the governor upon the recommendation of the Indiana State Medical Association.

(6) A member appointed by the governor who has knowledge and experience in the special health needs of minorities.

"(7) A representative of the Indiana health care association appointed by the governor."

Page 10, line 14, after "(b)(4)" insert "**through (b)(7)**".

Page 10, line 14, delete "this" and insert "**these**".

Page 10, line 15, delete "member serves" and insert "**members serve**".

Page 10, line 18, after "the" delete "member" and insert "**members**".

Page 10, line 19, after "(b)(4)" insert "**through (b)(7)**".

Page 10, line 24, delete "Five (5)" and insert "**Six (6)**".

Page 10, line 26, delete "five (5)" and insert "**six (6)**".

Page 11, line 24, delete "money received by the state" and insert "**the Indiana tobacco master settlement agreement fund;**".

Page 11, delete line 25.

Page 12, line 27, delete "money received by the state" and insert "**the Indiana tobacco master settlement agreement fund;**".

Page 12, delete line 28.

Page 14, delete lines 1 through 36.

Page 15, line 6, delete "money received by the state" and insert "**the Indiana tobacco master settlement agreement fund;**".

Page 15, delete line 7.

Page 15, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 8. IC 4-12-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:



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Chapter 10. Rural Community Impact Fund

Sec. 1. As used in this chapter, "fund" refers to the rural community impact fund established by section 2 of this chapter.

Sec. 2. (a) The rural community impact fund is established. The fund shall be administered by the commissioner of agriculture and the department of commerce. The fund consists of:

- (1) amounts, if any, that another statute requires to be distributed to the fund from the Indiana tobacco master settlement agreement fund;
- (2) appropriations to the fund from other sources;
- (3) grants, gifts, and donations intended for deposit in the fund; and
- (4) interest that accrues from money in the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(d) Money in the fund at the end of the state fiscal year does not revert to the state general fund.

Sec. 3. (a) Subject to subsection (b), money in the fund shall be used for the following purposes:

- (1) To develop new agricultural enterprises in areas that were used for tobacco production, including facilities for research and development, new market opportunities, educational programs, leadership developmental programs, and direct financial assistance.
- (2) Assistance to rural communities that suffer a negative economic impact from the loss of tobacco production.

(b) Expenditures from the fund are subject to appropriation by the general assembly, review by the budget committee, and approval by the budget agency. In addition, the commissioner of agriculture shall approve expenditures for projects under subsection (a)(1), and the department of commerce shall approve money for projects under subsection (a)(2)."

Page 16, line 2, delete "eight (8)" and insert "**eleven (11)**".

Page 16, line 6, delete "Two (2)" and insert "**Three (3)**".

Page 16, line 7, delete "Three (3)" and insert "**Four (4)**".

Page 16, line 8, delete "Three (3)" and insert "**Four (4)**".



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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to SB 108 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 1.

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