Reprinted
February 1, 2000

SENATE BILL No. 108

DIGEST OF SB 108 (Updated January 31, 2000 4:28 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: April 1, 2000; 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.
January 31, 2000, read second time, amended, ordered engrossed.

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Reprinted
February 1, 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.

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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:

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

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

(1) all money received by the state ~~from~~ **under** the master settlement agreement; ~~with the United States' tobacco product manufacturers.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) The fund shall be administered by the budget agency. 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~~

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

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

SECTION 2. IC 4-12-4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2000]:

Chapter 4. Indiana Tobacco Use Prevention and Cessation Trust Fund

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

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

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

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

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

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

(b) The authority is:

(1) not an agency of the state; and

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

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

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

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

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

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

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

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

(A) The American Cancer Society.

(B) The American Heart Association, Indiana Affiliate.

(C) The American Lung Association of Indiana.

(D) The Indiana Hospital and Health Association.

(E) The Indiana State Medical Association.

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

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

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

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

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

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

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

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

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

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

Sec. 9. The board may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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funds of the authority;

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

(6) sue and be sued; and

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

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

(b) 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.

(c) 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.

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

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

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

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

(B) encouragement of smoking cessation;

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

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

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

(2) a long range state plan for:

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

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

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

(b) The long range state plan must:

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

(2) include base line data concerning tobacco usage;

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

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

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

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

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

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

(4) The amount of the grant requested.

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

(6) Any other information required by the board.

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

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

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

(2) The plan for implementation of the expenditure.

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

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

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

(1) chairperson;

(2) vice chairperson;

(3) executive director; and

(4) any officer elected by the authority or member of the authority authorized by resolution to handle funds or sign checks;

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

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

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

(1) The authority's management and operations.

(2) The authority's property and assets.

(3) All property and assets held by or for the authority.

(4) The investment income and earnings on:

(A) the authority's property and assets; and

(B) all property and assets held by or for the authority;

including all funds established under this chapter.

SECTION 3. IC 4-12-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2000]:

Chapter 5. Indiana Health Care Trust Fund

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

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

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Sec. 3. (a) The Indiana health care trust fund is established for the purpose of promoting the health of the citizens of Indiana. 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 fund shall be administered by the budget agency. 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 the state fiscal year does not revert to the state general fund.

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

(1) Enforcement of laws concerning sales of tobacco to youth and use of tobacco by youth.

(2) The children's health insurance program established under IC 12-17.6.

(3) Cancer detection tests.

(4) Cancer education programs.

(5) Medical assistance to low income individuals whose health has been affected by tobacco use.

(6) Clinics providing vaccinations against communicable diseases, with an emphasis on service to youth and the elderly.

(7) Clinics providing health care services and preventive measures that address the special health care needs of minorities (as defined in IC 16-46-6-2).

(8) Clinics providing health care services and preventive measures in rural areas.

(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.

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

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

(b) The advisory board consists of the following:

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

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

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

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

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

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

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

(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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 6. Biomedical Research and Technology Trust Fund

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

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

Sec. 3. (a) The biomedical research and technology trust fund is established for the purpose of making distributions to the Indiana twenty-first century research and technology fund established by IC 4-4-5.1. 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) grants, gifts, and donations intended for deposit in the fund; and

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

(b) The fund shall be administered by the budget agency. 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 the state fiscal year does not revert to the state general fund.

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

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

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

Chapter 7. Indiana Local Health Department Trust Fund

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

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

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

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

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

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

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

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

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

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

(3) appropriations to the fund from other sources;

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

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

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

(c) The fund shall be administered by the budget agency. 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 the state fiscal year does not revert to the state general fund.

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

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

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

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

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

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

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

STEP TWO: Multiply the STEP ONE amount by a fraction. The numerator of the fraction is the population of the county. The denominator of the fraction is the population of the state.

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

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

(1) programs that share common goals with the mission statement and long range state plan established by the Indiana tobacco use prevention and cessation authority;

(2) preventive health measures; and

(3) support for medical clinics that treat low income persons and the elderly.

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

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

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

Chapter 9. Indiana Elderly Well Being Trust Fund

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

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

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(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 fund shall be administered by the budget agency. 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 the state fiscal year does not revert to the state general fund.

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

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

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

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.

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(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).

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

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

(c) This SECTION expires July 1, 2002.

SECTION 9. [EFFECTIVE APRIL 1, 2000] **(a) Notwithstanding IC 4-12-4-7, as added by this act, the initial terms of office of the eleven (11) members appointed by the governor to the board of directors of the Indiana tobacco use prevention and cessation authority under IC 4-12-4-7(a)(2), as added by this act, are as follows:**

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

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

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

(b) The initial terms begin April 1, 2000.

(c) This SECTION expires July 1, 2005.

C o p y

SECTION 10. **An emergency is declared for this act.**

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SENATE MOTION

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

BORST

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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]:

C o p y

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)**".

C o p y

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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SENATE MOTION

Mr. President: I move that Senate Bill 108 be amended to read as follows:

Replace the effective dates in SECTIONS 2 through 3 with "[EFFECTIVE APRIL 1, 2000]".

Replace the effective date in SECTION 9 with "[EFFECTIVE APRIL 1, 2000]".

Page 16, line 41, delete "July 1, 2001" and insert "**April 1, 2000**".

Page 16, after line 42, begin a new paragraph and insert:

"SECTION 10. **An emergency is declared for this act.**".

(Reference is to SB 108 as printed January 28, 2000)

BORST

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