

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS65310-RB-50 (05/13)

Short Title: Infrastructure Trust Fund. (Public)

Sponsors: Senator Hoyle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE INFRASTRUCTURE TRUST FUND TO BE USED FOR CAPITAL IMPROVEMENTS AS DIRECTED BY THE GENERAL ASSEMBLY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 8 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"§ 143C-8-13. Infrastructure Trust Fund.

The Infrastructure Trust Fund is established within the State treasury as a special revenue fund. Interest and other investment income earned by the Fund accrue to it, and revenue in the Fund does not revert. Revenue in the Fund may be used only for capital projects or to pay debt service on bonds or other debt issued to pay for capital projects. Revenue in the Fund may be expended only upon an act of appropriation by the General Assembly."

SECTION 2. Section 6 of S.L. 1999-2 reads as rewritten:

"Section 6. It is the intent of the General Assembly that the funds under the Master Settlement Agreement, which is incorporated into the Consent Decree, be allocated as follows:

- (1) Fifty percent (50%) to ~~the nonprofit corporation as provided by the Consent Decree.~~ the Infrastructure Trust Fund established in G.S. 143C-8-13.
- (2) Twenty-five percent (25%) to a trust fund to be established by the General Assembly for the benefit of tobacco producers, tobacco allotment holders, and persons engaged in tobacco-related businesses, with this trust fund to be governed by a board of trustees representing these interests. To carry out this purpose, this trust fund may provide direct and indirect financial assistance, in accordance with criteria

1 established by the trustees of the trust fund and to the extent allowed
2 by law, to (i) indemnify tobacco producers, allotment holders, and
3 persons engaged in tobacco-related businesses from the adverse
4 economic effects of the Master Settlement Agreement, (ii) compensate
5 tobacco producers and allotment holders for the economic loss
6 resulting from lost quota, and (iii) revitalize tobacco dependent
7 communities.

- 8 (3) Twenty-five percent (25%) to a trust fund to be established by the
9 General Assembly for the benefit of health, with this trust fund to be
10 governed by a board of trustees comprised of a broad representation of
11 health interests. to the Settlement Reserve Fund established pursuant to
12 G.S. 143-16.4 to be used for General Fund expenditures."

13 **SECTION 3.** G.S. 143C-9-3 reads as rewritten:

14 **"§ 143C-9-3. Settlement Reserve Fund.**

15 (a) The "Settlement Reserve Fund" is established as a restricted reserve in the
16 General Fund. Except as otherwise provided in this section, funds shall be expended
17 from the Settlement Reserve Fund only by specific appropriation by the General
18 Assembly.

19 (b) A Health Trust Account is established in the Settlement Reserve Fund. The
20 portion of each Master Settlement Agreement payment identified in Section 6(3) of S.L.
21 1999-2 shall be credited to the Health Trust Account. The State Controller shall transfer
22 all funds in the Health Trust Account to the Health and Wellness Trust Fund created in
23 Article 6C of Chapter 147 of the General Statutes.

24 (c) A Tobacco Trust Account is established in the Settlement Reserve Fund. The
25 portion of each Master Settlement Agreement payment identified in Section 6(2) of S.L.
26 1999-2 shall be credited to the Tobacco Trust Account. The State Controller shall
27 transfer all funds in the Tobacco Trust Account to the Tobacco Trust Fund created in
28 Article 75 of Chapter 143 of the General Statutes.

29 (d) An Infrastructure Trust Account is established in the Settlement Reserve
30 Fund. The portion of each Master Settlement Agreement payment identified in Section
31 6(1) of S.L. 1999-2 shall be credited to the Infrastructure Trust Account. The State
32 Controller shall transfer all funds in the Infrastructure Trust Account to the
33 Infrastructure Trust Fund created in G.S. 143C-8-13.

34 (e) Unless prohibited by federal law, federal funds provided to the State by block
35 grant or otherwise as part of federal legislation implementing a settlement between
36 United States tobacco companies and the states shall be credited to the Settlement
37 Reserve Fund. Unless otherwise encumbered or distributed under a settlement
38 agreement or final order or judgment of the court, funds paid to the State or a State
39 agency pursuant to a tobacco litigation settlement agreement, or a final order or
40 judgment of a court in litigation between tobacco companies and the states, shall be
41 credited to the Settlement Reserve Fund."

42 **SECTION 4.** This act becomes effective July 1, 2008.