

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE BILL 1754**

Short Title: Infrastructure Trust Fund. (Public)

Sponsors: Senators Hoyle; Apodaca, Brunstetter, Forrester, Hartsell, Jenkins, Jones, Stevens, Tillman, and Weinstein.

Referred to: Appropriations/Base Budget.

May 21, 2008

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 established by the trustees of the trust fund and to the extent allowed

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

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

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

13 **"§ 143C-9-3. Settlement Reserve Fund.**

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

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

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

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

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

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