

FILED FEB 14 2000
SENATE FILE 2162
BY SCHUERER, FREEMAN, KING,
MILLER, and REHBERG

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of a tobacco settlement
2 endowment fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

SF 2162

APPROPRIATIONS

1 Section 1. Section 12.65, Code 1999, is amended to read as
2 follows:

3 12.65 TOBACCO SETTLEMENT ENDOWMENT FUND.

4 A tobacco settlement endowment fund is created in the
5 office of the treasurer of state. After payment of litigation
6 costs, the state portion of any moneys paid to the state by
7 tobacco companies in settlement of the state's lawsuit for
8 recovery of public expenditures associated with tobacco use
9 shall be deposited in the tobacco settlement endowment fund.
10 Notwithstanding section 8.33, any unexpended balance in the
11 fund at the end of the fiscal year shall be retained in the
12 fund. Notwithstanding section 12C.7, subsection 2, interest
13 or earnings on investments or time deposits of the moneys in
14 the fund shall be credited to the fund. Moneys deposited in
15 the fund shall constitute an endowment. All settlement moneys
16 deposited in the fund shall be invested to provide an ongoing
17 source of investment earnings. Only earnings on moneys
18 invested may be used as provided in appropriations from the
19 fund and for operating expenses of the fund including the
20 expenses of investing and managing the moneys. Earnings or
21 moneys deposited in the fund shall be used only as provided in
22 appropriations from the fund to the department of human
23 services for the medical assistance program and to the Iowa
24 department of public health for programs to reduce smoking by
25 teenage youth. For purposes of this section, "litigation
26 costs" are those costs itemized by the attorney general and
27 submitted to and approved by the general assembly.

28 EXPLANATION

29 This bill changes the tobacco settlement fund into a
30 tobacco settlement endowment fund and provides that moneys
31 deposited in the tobacco settlement fund constitute an
32 endowment. All settlement moneys deposited are to be invested
33 to provide an ongoing source of investment earnings. Only
34 earnings on these investments may be used as provided in
35 appropriations from the fund and for operating expenses of the

1 fund.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35