

FEB 6 2001
APPROPRIATIONS

HOUSE FILE 185
BY HEATON

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

A BILL FOR

1 An Act relating to the tobacco master settlement agreement and
2 providing an effective date.

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

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HF 185

1 Section 1. Section 453C.1, subsection 4, paragraph c,
2 unnumbered paragraph 2, Code 2001, is amended to read as
3 follows:

4 The term "cigarette" includes "roll-your-own" tobacco,
5 meaning tobacco which, because of its appearance, type,
6 packaging, or labeling, is suitable for use and likely to be
7 offered to, or purchased by, consumers as tobacco for making
8 cigarettes. For purposes of this definition of "cigarette",
9 0.09 ounces of "roll-your-own" tobacco shall constitute one
10 individual "cigarette".

11 Sec. 2. Section 453C.1, subsection 9, paragraph a, Code
12 2001, is amended to read as follows:

13 a. Manufactures cigarettes anywhere that such manufacturer
14 intends to be sold in the United States, including cigarettes
15 intended to be sold in the United States through an importer,
16 (except where such importer is an original participating
17 manufacturer, as that term is defined in the master settlement
18 agreement, that will be responsible for the payments under the
19 master settlement agreement with respect to such cigarettes as
20 a result of the provisions of subsection II(mm) of the master
21 settlement agreement and that pays the taxes specified in
22 subsection II(z) of the master settlement agreement and
23 provided that the manufacturer of such cigarettes does not
24 market or advertise such cigarettes in the United States).

25 Sec. 3. Section 453C.2, subsection 2, paragraph b,
26 subparagraph (1), Code 2001, is amended to read as follows:

27 (1) To pay a judgment or settlement on any released claim
28 brought against such tobacco product manufacturer by the state
29 or any releasing party located or residing in the state.
30 Funds shall be released from escrow, under this subparagraph
31 (1), (a) in the order in which they were placed into escrow
32 and (b) only to the extent and at the time necessary to make
33 payments required under such judgment or settlement.

34 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
35 immediate importance, takes effect upon enactment.

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EXPLANATION

This bill amends the provisions of the Code relating to the tobacco master settlement agreement entered into by the state and leading United States tobacco product manufacturers. The bill makes changes to comply with the model Act provisions which were to be adopted by all states party to the agreement. The bill takes effect upon enactment, which must take place prior to March 1, 2001.