

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

SESSION LAW 1998-191
HOUSE BILL 1248

AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that:

- (1) In June 1997, a tentative settlement was reached in litigation between United States cigarette manufacturers and the attorneys general of 40 states.
- (2) Dozens of bills were introduced in Congress dealing with this settlement, and several of those bills would have provided financial assistance to tobacco farmers and others who depend on tobacco for their livelihoods.
- (3) Some of these proposed bills would also have provided for block grants and other funds for states to use for related purposes.
- (4) Congress is unlikely to enact legislation on this subject during 1998.
- (5) Tobacco litigation and federal legislation providing for settlement of the litigation have the potential to affect the interests of tobacco farmers and others who depend on tobacco for their livelihoods.

Section 2. Article 1 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-16.4. Settlement Reserve Fund.

(a) The 'Settlement Reserve Fund' is established as a restricted reserve in the General Fund. Funds shall be expended from the Settlement Reserve Fund only by specific appropriation by the General Assembly.

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

Section 3. It is the intent of the General Assembly to enact appropriate tax relief for financial assistance payments that may later be enacted by Congress for tobacco farmers and for others who depend on tobacco for their livelihoods. In addition, it is the intent of the General Assembly to monitor the status of tobacco litigation in this State and other states and to act to protect the interests of North Carolina tobacco farmers and other North Carolina citizens who depend on tobacco for their livelihoods.

Section 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of October, 1998.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 5:30 p.m. this 21st day of October, 1998