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HOUSE JOINT RESOLUTION NO. 732

Offered January 21, 1999

Establishing a joint subcommittee to determine how to spend the Commonwealth's proceeds from the tobacco settlement.

Patrons—Purkey, Hamilton, Landes and McDonnell; Senators: Colgan, Howell, Lucas, Miller, Y.B., Norment and Watkins

Referred to Committee on Rules

WHEREAS, the attorneys general of forty-six states, five commonwealths and territories, and the District of Columbia reached the Master Settlement Agreement with the major tobacco companies on November 23, 1998, worth \$206 billion over the next 25 years; and

WHEREAS, by signing this agreement, Virginia could receive up to \$4 billion over the next 25 years; and

WHEREAS, the next phase of implementing the settlement agreement will occur as states determine how to best use their settlement proceeds; and

WHEREAS, the Master Settlement Agreement does not earmark or restrict the use of the settlement funds by the states; and

WHEREAS, at least six states involved in the Master Settlement Agreement have approved legislation during the last two years in anticipation of the settlement; and

WHEREAS, such legislation has included setting up a Children First Trust Fund for prevention, treatment, education, rehabilitation and punishment programs for children, establishing grants and loans programs for various nursing home projects, addressing the financial impact on tobacco farmers, and ensuring that any tobacco funds received are subject to the same department and agency planning requirements as federal block grants; and

WHEREAS, the Master Settlement Agreement provides that settlement funds will be dispersed to states beginning on the earlier date of June 30, 2000 or the date when 80 percent of the states have obtained their state courts' final approval of the settlement and those states represent 80 percent of the payment; and

WHEREAS, the Commonwealth will need to conduct a thorough assessment of its options in allocating settlement funds, particularly to address the health care needs of its citizens; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to determine how to spend the Commonwealth's proceeds from the tobacco settlement. The joint subcommittee shall be composed of eight members, which shall include six legislative members and two nonlegislative citizen members as follows: four members of the House of Delegates, to be appointed by the Speaker of the House; two members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; and two physicians, one of whom shall be appointed by the Speaker and one of whom shall be appointed by the Senate Committee on Privileges and Elections

In conducting its study, the joint subcommittee shall examine other states' proposals for allocating settlement funds and monitor any pending federal legislation and litigation that affects the tobacco settlement.

The direct costs of this study shall not exceed \$5,500.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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