

CHAPTER 350 (HB 593)

AN ACT relating to Tobacco Master Settlement Agreement compliance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "consent order" means the consent order of December 21, 1998 agreed to in Commonwealth of Kentucky v. Philip Morris Inc. et al., Docket Number 98CI-01579, Franklin Circuit Court.*
- (2) *There is created the Tobacco Master Settlement Agreement Compliance Advisory Board in the Department of Law. The board shall be composed of six (6) members as follows:*
 - (a) *The Attorney General, or the Attorney General's designee;*
 - (b) *The secretary of the Cabinet for Health Services, or the secretary's designee;*
 - (c) *The Commissioner of Agriculture, or the commissioner's designee;*
 - (d) *The secretary of the Public Protection and Regulation Cabinet, or the secretary's designee; and*
 - (e) *Two (2) citizens at large appointed by the Attorney General.*
- (3) *The citizen members of the board shall serve for terms of one (1) year and until their successors are appointed. The citizen members shall be eligible for successive terms on the board.*
- (4) *The board shall annually elect a member to serve as its chair and shall meet at least quarterly on a date set by the board. Board members shall be reimbursed for necessary expenses incurred in serving on the board.*
- (5) *The board may adopt rules governing the conduct of its meetings, the creation of meeting agendas, and other procedural matters it deems necessary. The board may adopt reporting forms, which shall be developed in consultation with participating agencies.*
- (6) *The Office of the Attorney General shall:*
 - (a) *Enter into a memorandum of agreement with the Department of Public Health of the Cabinet for Health Services, the Alcoholic Beverage Control in the Public Protection and Regulation Cabinet, and the Department of Agriculture to identify and report possible violations of the consent order;*
 - (b) *Attempt to secure funding under the master settlement agreement to reimburse the agencies specified in paragraph (a) of this subsection for any compliance activity that they perform; and*
 - (c) *Provide necessary funding and staff for administrative expenses related to the operation of the board. The board may request assistance from other state agencies.*
- (7) *The Tobacco Master Settlement Agreement Compliance Advisory Board shall:*
 - (a) *Identify activities for which training is required for personnel of the state agencies specified in paragraph (a) of subsection (6) of this section that are responsible for identifying and reporting possible violations of the consent order;*

- (b) *Determine eligible compliance training costs and seek reimbursement for the costs; and*
- (c) *Notify the appropriate tobacco manufacturer, in writing, of any alleged violation of the consent order and request a response and, if applicable, a corrective action plan within thirty (30) days from the date of the notice. If the manufacturer fails to respond or to satisfactorily resolve the matter, the board shall review the matter at its next meeting and may refer the matter to the Office of the Attorney General for enforcement action, if warranted.*

Section 2. The General Assembly confirms Department of Law Administrative Order 9901, signed by the Attorney General on February 3, 1999, except for Section 12, which establishes June 30, 2000 as the expiration date of the Order unless extended by subsequent Administrative Order.

Approved April 6, 2000