

CHAPTER 98**(SB 86)**

AN ACT relating to tobacco research.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 248 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Tobacco Research and Development Center is hereby created.*
- (2) *The Kentucky Tobacco Research and Development Center is to be overseen by the Kentucky Tobacco Research Board and shall undertake not only research into tobacco but also other research having related or complementary interests, including but not limited to commercialization potential of tobacco and plant research, plant natural products research and research into development of new crops based on tobacco and other plants.*
- (3) *The Kentucky Tobacco Research and Development Center may share its physical facility with other research operations having these and similar interests, subject to approval of the Kentucky Tobacco Research Board.*
- (4) *State funds appropriated by the General Assembly under KRS 248.510 to 248.570 shall be used solely for research conducted by, or operations of, the Kentucky Tobacco Research and Development Center and the Kentucky Tobacco Research Board.*

Section 2. KRS 248.510 is amended to read as follows:

- (1) The Kentucky Tobacco Research Board is hereby created. The board shall be composed of *thirteen (13) voting*~~fourteen (14)~~ members *and one (1) nonvoting member* as follows:
 - (a) Ten (10) permanent members who shall be the following officeholders or shall be designated by the following organizations: the Kentucky Farm Bureau Federation; the Kentucky *Innovations Commission*~~division of the National Farmers Organization~~; the commissioner of the Kentucky Department of Agriculture; the dean of the University of Kentucky College of Agriculture; the Burley Growers Cooperative Association; the *Council for Burley Tobacco* ~~Warehouse Association~~; the Dark Fired Tobacco Association; the Kentucky *Science and Technology Corporation*~~Medical Association~~; the chairman of the Senate Committee on Agriculture and Natural Resources; and the chairman of the House Committee on Agricultural and *Small Business*~~Natural Resources~~. Each officeholder and organization shall designate an alternate who is authorized to serve when the member cannot be present at a meeting.
 - (b) Three (3) members at large, *at least one (1) of whom is a tobacco farmer in Kentucky and at least one (1) of whom has research and development experience in the public or private sector*, who shall be appointed by the Governor with the advice and consent of the Legislative Research Commission.
 - (c) One (1) *nonvoting* member *from the University of Kentucky, who shall be the University of Kentucky Vice President for Research, or the Vice President's designee. The nonvoting member of the board may be counted in determining a quorum, but the nonvoting member shall not vote on matters before the board*~~who shall be selected by the ten (10) permanent members of the board, and who shall be the~~

~~president or member of the board of directors of a tobacco company incorporated to do business in Kentucky].~~

- (2) No member of the board shall receive any salary, fee or other remuneration for his services as a member of the board but each member shall be reimbursed for his ordinary travel expenses, including meals and lodging, incurred in the performance of his duties incident to implementation of the provisions of KRS 248.510 to 248.570.
- (3) The term of the ten (10) members designated in paragraph (a) of subsection (1) of this section shall not change but they shall be permanent members in terms of the organizations and offices named. At-large members and the tobacco industry member shall serve two (2) year terms.
- (4) The board shall elect, by a majority vote of the **thirteen (13) voting**~~fourteen (14)~~ members, a chairman **and a vice chair. The chairman**~~who~~ shall be the presiding officer of the board, shall preside at all meetings, and coordinate the functions and activities of the board. The chairman shall be elected or reelected annually and shall be a permanent member or an at-large member of the board. **The vice chair shall conduct meetings in the absence of the chairman.** The board shall have such other organization as deemed necessary and approved by the board.
- (5) Meetings of the board shall be held at least quarterly but may be held more frequently as deemed necessary subject to call by the chairman or by request of a majority of the board members. Board meetings shall concern, among other things, policy matters relating to~~tobacco~~ research projects and programs, research progress reports, authorization of projects and financial plans, and such other matters as necessary to carry out the intent of KRS 248.510 to 248.570.
- (6) **Seven (7)**~~Eight (8)~~ members of the board shall constitute a quorum for doing business. Each member shall have one (1) vote and a majority vote of the members present shall control on all questions.

Section 3. KRS 248.520 is amended to read as follows:

The Kentucky Tobacco Research Board shall:

- (1) Formulate policies and procedures as necessary to carry out the provisions of KRS 248.510 to 248.570.
- (2) Promulgate rules and regulations as necessary to carry out the provisions of KRS 248.510 to 248.570 and to ensure proper expenditure of state funds appropriated for the purposes of KRS 248.510 to 248.570.
- (3) Review and authorize~~tobacco~~ research projects and programs to be undertaken and financed under the provisions of KRS 248.510 to 248.570.
 - (a) ***The facilities designated the Tobacco and Health Research Institute before the effective date of this Act shall be retained and operated by the University of Kentucky exclusively for the program and activities described in Section 1 of this Act.***
 - (b) ***In addition to the research and development funded by authority of the Kentucky Tobacco Research Board, the board is authorized to allow other research operations having related or complementary interests to share this physical facility with the Kentucky Tobacco Research and Development Center, subject to approval of the***

~~*board* [When, after diligent search, it is determined by the board that adequate facilities for a particular research project are not available at the University of Kentucky or any other suitable location, the board may use funds appropriated to it to construct research facilities for the project].~~

- (4) Review and approve all progress and final research reports on projects authorized under the provisions of KRS 248.510 to 248.570.
- (5) Ensure that state funds, appropriated by KRS 248.510 to 248.570 or any other act for tobacco research, are not diverted to any other use and that all authorized research projects are directed toward:
 - (a) *Preserving and strengthening tobacco agriculture in Kentucky;*
 - (b) *Facilitating the progress of commercial endeavors in crop agriculture which have potential to provide entirely new market opportunities for tobacco growers; and*
 - (c) *Applying, when appropriate, previously authorized research initially conducted with tobacco to other plants which might be grown commercially in Kentucky, thus obtaining the fullest possible practical benefit from the research progress [improvements in the tobacco industry, and more specifically toward proving or disproving questions of health hazards to tobacco users and toward preserving and strengthening the tobacco industry in Kentucky].*
- (6) Provide the Governor, the General Assembly, and the Legislative Research Commission an annual report by January 30 of each year showing the status of funds appropriated under KRS 248.510 to 248.570 for tobacco research and the progress of the board in terms of the results of its tobacco research efforts.
- (7) Advise the General Assembly by January 30 during each even-numbered-year regular session of the need for continuation of the Kentucky Tobacco Research Board and the tax levied by Chapter 255 of the Acts of 1970 for the purpose of financing tobacco *and related new crops* research programs as provided by KRS 248.510 to 248.570.
- (8) Approve and release public statements relating to the progress and results of ~~tobacco~~ research projects.

Section 4. KRS 248.540 is amended to read as follows:

- (1) The tax revenues received from the additional one-half cent (\$0.005) tax levied by Chapter 255 of the Acts of 1970 shall be credited to a tobacco research-trust fund which is hereby created.
- (2) Federal funds which may be made available to supplement or match state funds for ~~tobacco~~ research programs provided for by KRS 248.510 to 248.570 shall be credited to the trust fund created in subsection (1) of this section.
- (3) Funds deposited to the credit of the tobacco research-trust fund shall be used to finance the ~~tobacco~~ research programs authorized under the provisions of KRS 248.510 to 248.570 and for no other purpose.
- (4) Funds unexpended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year or biennium, provided, however, that such surplus shall be included in the budget considered and approved by the board for the ensuing period.

Section 5. KRS 248.550 is amended to read as follows:

- (1) The amount of revenues collected and/or credited to the tobacco research-trust fund shall be appropriated each year to the ***Kentucky Tobacco Research and Development Center***~~[University of Kentucky Tobacco and Health Research Institute]~~ to finance~~[tobacco]~~ research projects and programs as provided in KRS 248.510 to 248.570 and shall be expended by the institute only on those projects and programs authorized by the Kentucky Tobacco Research Board.
- (2) The Office of State Budget Director shall supply revenue estimates of the amount of revenue anticipated to be collected during each fiscal year by the added one-half cent (\$0.005) tax on cigarettes which estimate, along with any federal funds available, shall be the basis for preparing tobacco research programs and budget requests for each fiscal year.

Section 6. KRS 248.560 is amended to read as follows:

- (1) The ***Kentucky Tobacco Research and Development Center***~~[University of Kentucky Tobacco and Health Research Institute]~~ shall prepare a proposed~~[tobacco]~~ research program and budget request for each fiscal year and shall present such documents to the Kentucky Tobacco Research Board for consideration and approval. The budget shall be based on revenue estimates as provided in KRS 248.550.
- (2) The budget shall provide for payment of expenses incurred by Kentucky Tobacco Research Board members as provided in subsection (2) of KRS 248.510~~[and for the technical adviser as provided by KRS 248.530]~~, and for~~[such]~~ other administrative costs of the board.
- (3) The Kentucky Tobacco Research Board shall consider the university recommendations and shall approve a budget for each fiscal year which shall be the basis for expending funds appropriated by KRS 248.510 to 248.570. The budget and proposed research program shall be considered by the board in terms of the intent of KRS 248.510 to 248.570.
- (4) The university is authorized to proceed to execute the budget approved by the Kentucky Tobacco Research Board and may expend funds accordingly, and, the Finance and Administration Cabinet is hereby authorized to issue warrants for this purpose upon request by the university.
- (5) Copies of the approved budget shall be filed by the board with the Legislative Research Commission and the Finance and Administration Cabinet.

Section 7. KRS 248.610 is amended to read as follows:

- (1) No person shall use, and no person shall purchase or otherwise acquire for intended use, any tobacco stalks in any manner that could result in human consumption by smoking or other use of tobacco stalks. This section does not prohibit the use of tobacco stalks in~~[experimental research projects designed for finding]~~ new and innovative uses for tobacco.
- (2) The Department of Agriculture shall enforce this section, and shall initiate prosecution whenever and wherever it has reasonable grounds to believe this section is being violated.

Section 8. The Kentucky Tobacco Research and Development Center shall assume all of the duties of the Tobacco and Health Research Institute and occupy the building which formerly housed the Tobacco and Health Research Institute.

Section 9. The following KRS section is repealed:

248.530 Technical adviser.

Approved March 28, 2002