

1 AN ACT relating to the Tobacco Settlement Agreement Fund.

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

3 ➔Section 1. KRS 248.654 is amended to read as follows:

4 **(1)** There is established in the State Treasury a permanent and perpetual fund to be
5 known as the "Tobacco Settlement Agreement Fund" to which shall be credited any
6 **appropriations or** funds designated to the Commonwealth from the master
7 settlement agreement signed on November 22, 1998, between the participating
8 tobacco manufacturers and the forty (40) settling states or related federal legislation.

9 **(2)** All investment income earned from moneys deposited in the fund prior to and after
10 April 26, 2000, shall accrue to the fund. Any funds designated to the
11 Commonwealth from the settlement agreement or related federal legislation and all
12 investment income accruing to the fund shall not be expended until appropriated by
13 the General Assembly.

14 **(3)** The General Assembly's highest priority for distributing any funds from this account
15 shall be for tobacco farmers and tobacco-impacted communities and health-related
16 areas.

17 **(4) The General Assembly shall ensure that moneys deposited in the fund and**
18 **appropriations to the Tobacco Settlement Agreement Fund total at least one**
19 **hundred million dollars (\$100,000,000) for each fiscal year. Any funds placed in**
20 **the Tobacco Settlement Agreement Fund shall be considered general fund**
21 **(Tobacco) dollars, and should be reflected as such when appropriated.**

22 **(5)** Moneys in the fund, including all investment income accruing to the fund, shall be
23 distributed within twenty (20) days of April 26, 2000, and within twenty (20) days
24 of receipt of any moneys deposited to the fund after April 26, 2000 as follows:

25 **(a)**~~(1)~~ Fifty percent (50%) to the rural development fund created in KRS
26 248.655;

27 **(b)**~~(2)~~ Twenty-five percent (25%) to the early childhood development fund

1 created in KRS 200.151; and
2 ~~(c)(3)~~ Twenty-five percent (25%) to the Kentucky health care improvement
3 fund created in KRS 194A.055.