

January 28, 1999

S 6. APPROVE TOBACCO SETT. NONPROFIT CORP. TO APPROVE THE CREATION OF THE NONPROFIT CORPORATION ESTABLISHED PURSUANT TO COURT ORDER FOR THE PURPOSES OF RECEIPT AND DISTRIBUTION OF FIFTY PERCENT OF THE FUNDS RECEIVED BY THE STATE IN STATE OF NORTH CAROLINA V. PHILIP MORRIS INCORPORATED, ET AL. Approves the creation of a nonprofit corporation by the Attorney General pursuant to the Consent Decree and Final Judgement in the referenced civil action, for the purposes and on the terms and conditions set forth in subparagraph VIA.1 of the Consent Decree and Final Judgment in that suit.

Intro. by Rand.

Ref. to Rules\_UNCODIFIED\_\_

March 9, 1999

**S 6. APPROVE TOBACCO SETT. NONPROFIT CORP.** Intro. 1/28/99. House committee substitute makes the following changes to 2nd edition. Rewrites title to read: *"TO APPROVE THE CREATION OF THE NONPROFIT CORPORATION ESTABLISHED PURSUANT TO COURT ORDER FOR THE PURPOSES OF RECEIPT AND DISTRIBUTION OF FIFTY PERCENT OF THE FUNDS RECEIVED BY THE STATE IN STATE OF NORTH CAROLINA V. PHILIP MORRIS INCORPORATED, ET AL., INCLUDING THE MANNER, TERMS AND CONDITIONS OF APPOINTMENT OF THE CORPORATION'S BOARD OF DIRECTORS, TO ASSIGN TO THE NONPROFIT CORPORATION ANY RIGHT, TITLE AND INTEREST IN THE FUNDS CONSTITUTING FIFTY PERCENT OF NORTH CAROLINA'S STATE SPECIFIC ACCOUNT, TO REQUIRE THE CORPORATION TO FILE COPIES OF ITS ANNUAL REPORT AND TAX INFORMATION WITH THE GENERAL ASSEMBLY, TO EXPRESS THE INTENT OF THE GENERAL ASSEMBLY THAT TOBACCO PRODUCTION INTERESTS, TOBACCO MANUFACTURING INTERESTS, TOBACCO-RELATED EMPLOYMENT INTERESTS, HEALTH INTERESTS, AND ECONOMIC DEVELOPMENT INTERESTS SHALL BE REPRESENTED ON THE CORPORATION'S BOARD OF DIRECTORS, TO EXPRESS THE INTENT OF THE GENERAL ASSEMBLY TO ESTABLISH A TRUST FUND TO RECEIVE AND DISTRIBUTE TWENTY-FIVE PERCENT OF THE TOBACCO LITIGATION MASTER SETTLEMENT AGREEMENT FUNDS FOR THE BENEFIT OF TOBACCO PRODUCERS, TOBACCO ALLOTMENT HOLDERS, AND PERSONS ENGAGED IN TOBACCO-RELATED BUSINESSES, INCLUDING DIRECT AND INDIRECT FINANCIAL ASSISTANCE AND INDEMNIFICATION TO THESE BENEFICIARIES TO THE EXTENT ALLOWED BY LAW AND IN ACCORDANCE WITH CRITERIA ESTABLISHED BY THE TRUST FUND'S BOARD OF TRUSTEES, WITH THE TRUST FUND GOVERNED BY TRUSTEES REPRESENTING THESE INTERESTS, AND TO EXPRESS THE INTENT OF THE GENERAL ASSEMBLY TO ESTABLISH A SEPARATE TRUST FUND TO RECEIVE AND DISTRIBUTE TWENTY-FIVE PERCENT OF THE TOBACCO LITIGATION MASTER SETTLEMENT AGREEMENT FUNDS FOR THE BENEFIT OF HEALTH. WITH THE TRUST FUND GOVERNED BY A BOARD OF TRUSTEES COMPRISED OF A BROAD REPRESENTATION OF HEALTH INTERESTS."* Incorporates provisions as title indicates. With respect to the 25% of settlement funds to be allocated to a trust fund to benefit producers, allotment holders, and businesses, the bill states the legislative intention to indemnify producers, allotment holders, and tobacco-related businesses from adverse economic effects of the Master Settlement Agreement; to compensate producers and allotment holders for economic loss resulting from lost quota; and to revitalize tobacco dependent communities. Deletes provisions in second edition subjecting nonprofit corporation to open meetings and public records laws.

March 15, 1999

**S 6. APPROVE TOBACCO SETT. NONPROFIT CORP.** Intro. 1/28/1999. House committee substitute leaves in place allocation in which 50% of funds under settlement go to nonprofit corporation, 25% to trust fund for benefit of tobacco producers, and 25% to a trust fund for benefit of health, and makes the following changes to 2nd edition.

Makes clear that unless otherwise provided by General Assembly, the right to each installment payment under the settlement vests in the nonprofit corporation upon receipt of that payment in North Carolina's State Specific Account for the purpose of economic impact assistance to economically affected or tobacco dependent regions of state.

Requires Att'y General to draft articles of incorporation for the nonprofit corporation, covering the following: Consultation with and reporting to Joint Legislative Comm'n on Governmental Operations (JLCGO); Public records and open meetings; Transfer of assets; Charter repeal; and Dissolution.

Requires corporation to report annually to JLCGO by March 1. Makes corporation subject to Open Meetings Law (GS Chapter 143, art. 33C) and Public Records Act (GS Chapter 132) and adds GS 55A-3-07 stating that requirement. Requires corporation to publish annual report of every expenditure. Forbids corporation to dispose of assets pursuant to GS 55A-12-02 without General Assembly's approval. Allows corporation's charter to be repealed at any time by General Assembly under North Carolina Constitution, art. VII, sec. 1. Allows corporation to be dissolved pursuant to GS Chapter 55A, by General Assembly, or by court pursuant to consent decree. Upon dissolution, all assets to be transferred to Settlement Reserve Fund established under GS 143-16.4. Corporation's right to receive funds is contingent upon filing of articles of incorporation that comply with these requirements.

Declares intent of General Assembly that Governor, House Speaker, and Senate President Pro Tempore include among their appointments to nonprofit corporation representatives of tobacco production, manufacturing, employment, health, and economic development interests, with each appointing authority selecting at least two directors from these specified interests.

March 16, 1999

**S 6. APPROVE TOBACCO SETT. NONPROFIT CORP.** Intro. 1/28/99. House amendments make the following changes to 2nd edition: (1) Provide that members of the General Assembly may not be appointed to serve on the board of directors of the nonprofit corporation while serving in the General Assembly; (2) Require that appointing authorities appoint to the board of directors members that represent the geographic, gender, and racial diversity of the State.