

TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2000

Public Law 12-44
H. B. NO. 12-290, CD1

AN ACT

To establish a Master Settlement Agreement Trust Fund for the initial deposit of all funds received by the CNMI pursuant to the Tobacco Industry Settlement, to ensure the preservation of all such funds until the CNMI Legislature determines the appropriate allocation of the funds; and for other purposes.

**BE IT ENACTED BY THE TWELFTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

Section 1. Purpose. The Attorney General of the Commonwealth of the Northern Mariana Islands, on behalf of the Commonwealth, joined in the lawsuit filed by the Association of Attorneys General on behalf of 46 states and 4 territories of the United States of America against various tobacco-manufacturing companies. That lawsuit resulted in a Master Settlement Agreement that was reduced to final judgment in the Commonwealth in January of 1999. The Master Settlement Agreement obligates the companies to pay a sum of money for a period of time from the sale of cigarettes for distribution to the various states and territories, including the Commonwealth. Beginning in 1999, after the Master Settlement Agreement became part of a final judgment in the Commonwealth, funds were transferred to the CNMI and deposited in the General Fund by the CNMI Secretary of Finance. This bill requires the CNMI Secretary of Finance to establish a separate CNMI Tobacco Settlement Trust Fund for deposit of all funds received by the CNMI pursuant to the Master Settlement Agreement commencing on January 2001.

Section 2. CNMI Tobacco Settlement Trust Fund. The accumulated money received by the Commonwealth shall be designated the CNMI Tobacco Settlement Trust Fund. The CNMI Secretary of Finance shall, upon receipt, invest all funds received by the CNMI pursuant to the Master Settlement Agreement in short-term investment instruments such as certificates of deposit so that the funds shall be available for appropriation by the beginning of each fiscal year. The CNMI Secretary of Finance shall have fiduciary responsibility for the CNMI Tobacco Settlement Trust Fund and shall not in any manner commingle this Trust Fund with other funds of the CNMI, its departments, agencies or instrumentalities. All returns from the investment of Master Settlement Agreement funds shall be expended only for the purposes hereafter authorized by the Legislature. The Legislature shall appropriate funds from the Trust Fund at the beginning of each fiscal year, specifying how the money will be used and the department, agency or instrumentality accountable for the use of the money.

Section 3. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 5. Effective Date. This Act shall take effect upon its approval by the Governor or its becoming law without such approval.

CERTIFIED BY:

ATTESTED TO BY:

/s/ _____
ALEJO M. MENDIOLA, JR.
ACTING SPEAKER
HOUSE OF REPRESENTATIVES

/s/ _____
EVELYN C. FLEMING
HOUSE CLERK

APPROVED this 20th day of April, 2001

/s/ _____
PEDRO P. TENORIO
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS