

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2002

Public Law 13-37
H. B. NO. 13-226

A BILL FOR AN ACT

To establish a Tobacco Settlement Expenditure Fund by repealing PL 12-44, and to appropriate the money in the fund for the purpose of developing and implementing a CNMI Comprehensive Tobacco Prevention and Control Strategic Plan of Action; and for other purposes.

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

Section 1. Title. This act may be cited as the “Commonwealth Tobacco Settlement Expenditure Act of 2002.”

Section 2. Findings. Research has shown that cigarette smoking and tobacco use are one of the leading causes of preventable morbidity and mortality in the CNMI. Prolonged tobacco use has been found to be a major contributor to the onset of various chronic illnesses, including coronary heart disease, heart attacks, chronic obstructive lung disease, emphysema, strokes and a variety of cancers including lung cancer. Smoking by women during pregnancy is correlated with miscarriages, premature births, learning disabilities, and behavioral problems, and represents a major cause of illness and death among infants and children. The Department of Public Health has estimated that 18% of the total cost of hospital days in 1994, for Chamorro and Carolinian patients can be attributed to smoking. This does not include the additional costs of outpatient visits, emergency services, medications, or off-island medical referrals. Federal and CNMI health objectives for the years 2000 through 2002, which offer a vision for the new century, call for improvements in health status. These improvements can be achieved through prevention, intervention, reductions in preventable death and disability, enhanced quality of life, and reduced disparities in the health of populations within the CNMI, the Pacific, and the nation.

Section 3. Purpose. The purpose of this Act is to establish the CNMI Tobacco Settlement Expenditure Fund (“fund”), to distribute money in the fund according to specified uses, and to assign the expenditure authority of those designated amounts.

The fund replaces the Tobacco Settlement Trust Fund created by PL 12-44. Thus, upon the effective date of this Act, the money received from the Master Settlement Agreement entered into between the various states of the United States, including the CNMI, and certain US tobacco companies, shall be transferred and deposited into this new fund. The Legislature intends that the fund serve as a mechanism to maximize financial resources for tobacco prevention and control, health promotion and disease prevention programs, children’s health programs, and as a long-term source of stable funding for prevention-oriented public health efforts with an emphasis on the following goals:

- (a) to prevent the initiation of tobacco use among children and youth;
- (b) to promote cessation of smoking among adults and young people, particularly teenagers;
- (c) to reduce public exposure to environmental tobacco smoke; and
- (d) to increase multi-departmental collaboration to achieve the objectives set forth in this section.

Section 4. CNMI Tobacco Settlement Expenditure Fund. There is hereby established a special revolving fund with the Department of Finance which shall be known and designated as the Tobacco Settlement Expenditure Fund. All moneys received from the Master Settlement Agreement, plus all interest and earnings accrued on this money, shall be deposited and remain in the Tobacco Settlement Expenditure Fund. This fund shall not be commingled in any manner with other funds of the CNMI, or any of its departments, agencies or instrumentalities. The fund shall be used to implement programs and services to achieve the goals stated in Section 3 of this Act. Provided that the fund shall be appropriated and allotted at the beginning of each fiscal year without requiring further appropriation as follows:

(a) 40% to the Department of Public Health Services, under the expenditure authority of the Secretary of Public Health and which shall be further distributed as follows:

(1) 70% for the Community Guidance Center Comprehensive State-Based Tobacco prevention and Control Program; (2) 20% for the Children's Health Insurance Program; and (3) 10% for the Division of Public Health, Health Promotion;

(b) 20% to the Public School System under the expenditure authority of the Commissioner of Education;

(c) 12.5% to the Office of Youth Affairs under the expenditure authority of the Special Assistant for Youth Affairs;

(d) 7.5% to the private schools in the Third Senatorial District only through the Coalition of Private Schools under the expenditure authority of the coalition chairperson;

(e) 10% to Office of the Mayor of Rota under the expenditure authority of the mayor for the purposes of implementing Section 3 of this Act in the First Senatorial District; and

(f) 10% to Office of the Mayor of Tinian and Aguiguan under the expenditure authority of the mayor for the purpose of implementing Section 3 of this Act in the Second Senatorial District.

Section 5. Fiscal Year and Reprogramming Limitation. Notwithstanding any provision of law, the funds allotted from the Tobacco Settlement Expenditure Fund shall not be subject to fiscal year limitation nor be reprogrammed for purposes other than what is set forth under this Act. Provided that for FY 2003, up to \$1,000,000 of the funds in the Tobacco Settlement Expenditure Fund may be reprogrammed by the Governor to the Department of Public Health notwithstanding Section 4 herein or any law to the contrary.

Section 6. Tobacco Prevention and Control Advisory Board.

(a) There is hereby established a Tobacco Prevention and Control Advisory Board which shall be responsible for strategically planning the development and implementation of preventive systems to achieve measurable outcomes and to make recommendations for the expenditure of the monies held in the Tobacco Settlement Expenditure Fund consistent with the purposes of this Act.

(b) The Tobacco Prevention and Control Advisory Board shall consist of members who are in positions to impact tobacco prevention and control. The head of each member agency shall be responsible for designating their respective representative to the Board. Agency membership on the Board shall be as follows:

- (1) One representative from the Community Guidance Center, Department of Public Health;
- (2) One representative from the Public School System;
- (3) One representative from the Division of Youth Services, Department of Community and Cultural Affairs;
- (4) Two representative from the private sector, who shall be nominated by the agency representative Board members;
- (5) One representative from the Office of Youth Affairs;
- (6) One representative from the Alcohol Beverage and Tobacco Control Division.
- (7) One representative from the Office of the Mayor of Rota; and
- (8) One representative from the Office of the Mayor of Tinian and Aguiguan.

(c) Members shall:

- (1) Be appointed or designated, as applicable, without regard to 1 CMC § 2901;
- (2) Serve without compensation;
- (3) Serve for a term of three years.

(d) The Tobacco Prevention and Control Advisory Board shall develop a strategic plan for tobacco prevention and control consistent with the purposes of this Act, including:

(1) Developing and implementing effective and cost efficient collaborative programs, including health promotion and disease prevention;

(2) Developing adequate standards and benchmarks by which measures of program success may be appropriately evaluated; and

(3) Reviewing quarterly progress reports to assess periodically the effectiveness of programs engaged in health promotion and disease prevention.

(e) The strategic plan shall be in writing and shall be a public document.

Section 7. Repealer and Transition. PL 12-44 is repealed in its entirety. Upon the effective date of this act, the money, including interest, received from the Master Settlement Agreement entered into between the various states of the United States, including the CNMI, and certain United States tobacco companies, shall be transferred and deposited into the Tobacco Settlement Expenditure Fund created by this Act. Provided, that if the funds, in accordance with PL 12-44, are invested in short-term investment instruments on the effective date of this Act, those funds inclusive of any return or interest earned shall be deposited promptly, upon maturity, into the fund established by this Act and shall be available for appropriation and allocation as provided herein.

Section 8. Severability. If any provision of this Act or the application of any such provision to any person or circumstances 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 is held invalid shall not be affected thereby.

Section 9. 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 proceedings 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 10. Effective Date. This Act shall take effect upon its approval by the Governor or upon it becoming law without such approval.

CERTIFIED BY:

ATTESTED TO BY:

/s/ _____
HEINZ S. HOFSCHEIDER
SPEAKER OF THE HOUSE

/s/ _____
EVELYN C. FLEMING
HOUSE CLERK

Approved this 13th day of December, 2002

/s/ _____
JUAN N. BABAUTA
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS