

By: Bivins

S.B. No. 1867

A BILL TO BE ENTITLED

AN ACT

relating to revenue available to the state as a result of the tobacco settlement.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. (a) In this section, "settlement agreement" means the Comprehensive Settlement Agreement and Release filed in State of Texas v. American Tobacco Co., 14 F. Supp. 2d 956 (E.D. Tex. 1997).

(b) The comptroller, in consultation with the Legislative Budget Board, shall study and determine the best way to maximize, for use in the 2003-2005 fiscal biennium, the revenue that may be made available to the state as a result of the settlement agreement.

(c) The comptroller may:

(1) direct that the Texas Public Finance Authority issue revenue bonds, the principal and interest payments for which may be paid solely from revenue the state is entitled to receive under the settlement agreement during all or a specified number of future years; or

(2) direct that the attorney general assign all or a part of the state's future right to receive payments under the settlement agreement to another party in exchange for the fair market value of that right, as determined by the attorney general in consultation with the comptroller, and subject to the right of the attorney general to refuse any offer made.

1 (d) Money obtained by the state under Subsection (c) of this
2 section may be used for any state government purpose.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2003.