



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 2/6/2004, by Patrick Welch

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-43
30 ILCS 330/7.5

Amends the General Obligation Bond Act. Provides that the tobacco securitization bonds may be issued only in fiscal years 2003, 2004, and 2005 (now, only in fiscal year 2003). Amends the State Finance Act. Makes a technical change in a Section concerning the Tobacco Settlement Recovery Fund. Effective immediately.

LRB093 21049 SJM 47070 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning State finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing
5 Section 6z-43 as follows:

6 (30 ILCS 105/6z-43)

7 Sec. 6z-43. Tobacco Settlement Recovery Fund.

8 (a) There is created in the State Treasury a special fund
9 to be known as the Tobacco Settlement Recovery Fund, into which
10 shall be deposited all moneys ~~monies~~ paid to the State pursuant
11 to (1) the Master Settlement Agreement entered in the case of
12 People of the State of Illinois v. Philip Morris, et al.
13 (Circuit Court of Cook County, No. 96-L13146) and (2) any
14 settlement with or judgment against any tobacco product
15 manufacturer other than one participating in the Master
16 Settlement Agreement in satisfaction of any released claim as
17 defined in the Master Settlement Agreement, as well as any
18 other monies as provided by law. All earnings on Fund
19 investments shall be deposited into the Fund. Upon the creation
20 of the Fund, the State Comptroller shall order the State
21 Treasurer to transfer into the Fund any monies paid to the
22 State as described in item (1) or (2) of this Section before
23 the creation of the Fund plus any interest earned on the
24 investment of those monies. The Treasurer may invest the moneys
25 in the Fund in the same manner, in the same types of
26 investments, and subject to the same limitations provided in
27 the Illinois Pension Code for the investment of pension funds
28 other than those established under Article 3 or 4 of the Code.

29 (b) As soon as may be practical after June 30, 2001, upon
30 notification from and at the direction of the Governor, the
31 State Comptroller shall direct and the State Treasurer shall
32 transfer the unencumbered balance in the Tobacco Settlement

1 Recovery Fund as of June 30, 2001, as determined by the
2 Governor, into the Budget Stabilization Fund. The Treasurer may
3 invest the moneys in the Budget Stabilization Fund in the same
4 manner, in the same types of investments, and subject to the
5 same limitations provided in the Illinois Pension Code for the
6 investment of pension funds other than those established under
7 Article 3 or 4 of the Code.

8 (c) In addition to any other deposits authorized by law,
9 after any delivery of any bonds as authorized by Section 7.5 of
10 the General Obligation Bond Act for deposits to the General
11 Revenue Fund and the Budget Stabilization Fund (referred to as
12 "tobacco securitization general obligation bonds"), the
13 Governor shall certify, on or before June 30, 2003 and June 30
14 of each year thereafter, to the State Comptroller and State
15 Treasurer the total amount of principal of, interest on, and
16 premium, if any, due on those bonds in the next fiscal year
17 beginning with amounts due in fiscal year 2004. As soon as
18 practical after the annual payment of tobacco settlement moneys
19 to the Tobacco Settlement Recovery Fund as described in item
20 (1) of subsection (a), the State Treasurer and State
21 Comptroller shall transfer from the Tobacco Settlement
22 Recovery Fund to the General Obligation Bond Retirement and
23 Interest Fund the amount certified by the Governor, plus any
24 cumulative deficiency in those transfers for prior years.

25 (d) ~~(e)~~ All federal financial participation moneys
26 received pursuant to expenditures from the Fund shall be
27 deposited into the Fund.

28 (Source: P.A. 91-646, eff. 11-19-99; 91-704, eff. 7-1-00;
29 91-797, eff. 6-9-00; 92-11, eff. 6-11-01; 92-16, eff. 6-28-01;
30 92-596, eff. 6-28-02; 92-597, eff. 6-28-02; revised 9-3-02.)

31 Section 10. The General Obligation Bond Act is amended by
32 changing Section 7.5 as follows:

33 (30 ILCS 330/7.5)

34 Sec. 7.5. Tobacco securitization general obligation bonds.

1 The amount of \$750,000,000 is authorized to be issued only
2 during fiscal years ~~year~~ 2003 , 2004, and 2005 for the making
3 of deposits of 50% of net proceeds to the General Revenue Fund
4 to build the fiscal year ending general funds cash balance and
5 to meet the ordinary and contingent expenses of the State and
6 50% of net proceeds to the Budget Stabilization Fund.

7 (Source: P.A. 92-596, eff. 6-28-02.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.