CHAPTER 36

AN ACT

RELATING TO FINANCE; MAKING A DISTRIBUTION FROM THE TOBACCO
SETTLEMENT PERMANENT FUND TO THE TOBACCO SETTLEMENT PROGRAM
FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 6-4-9 NMSA 1978 (being Laws 1999,
Chapter 207, Section 1, as amended) is amended to read:

"6-4-9. TOBACCO SETTLEMENT PERMANENT FUND--INVESTMENT--
DISTRIBUTION.--

A. The "tobacco settlement permanent fund" is
created in the state treasury. The fund shall consist of
money distributed to the state pursuant to the master
settlement agreement entered into between tobacco product
manufacturers and various states, including New Mexico, and
executed November 23, 1998 or any money released to the state
from a qualified escrow fund or otherwise paid to the state
as authorized by Sections 6-4-12 and 6-4-13 NMSA 1978,
enacted pursuant to the master settlement agreement or as
otherwise authorized by law. Money in the fund shall be
invested by the state investment officer in accordance with
the limitations in Article 12, Section 7 of the constitution
of New Mexico. Income from investment of the fund shall be
credited to the fund. Money in the fund shall not be
expended for any purpose, except as provided in this section."
E. In fiscal year 2007 and in each fiscal year thereafter, an annual distribution shall be made from the tobacco settlement permanent fund to the tobacco settlement program fund of an amount equal to fifty percent of the total amount of money distributed to the tobacco settlement permanent fund in that fiscal year until that amount is less than an amount equal to four and seven-tenths percent of the average of the year-end market values of the tobacco settlement permanent fund for the immediately preceding five calendar years. Thereafter, the amount of the annual distribution shall be four and seven-tenths percent of the average of the year-end market values of the tobacco settlement permanent fund for the immediately preceding five calendar years. In the event that the actual amount distributed to the tobacco settlement program fund in a fiscal year is insufficient to meet appropriations from that fund for that fiscal year, the secretary of finance and administration shall proportionately reduce each appropriation accordingly.

C. In addition to the distribution made pursuant to Subsection B of this section, in fiscal years 2009 through 2013 and 2015, the remaining fifty percent of the total amount of money distributed to the tobacco settlement permanent fund in that fiscal year shall be distributed from the tobacco settlement permanent fund to the tobacco
settlement program fund.

D. In addition to the distribution made pursuant to Subsections B and E of this section, in fiscal year 2014, twenty-five percent of the total amount of money distributed pursuant to the master settlement agreement to the tobacco settlement permanent fund in that fiscal year shall be distributed from the tobacco settlement permanent fund to the lottery tuition fund.

E. In addition to the distribution made pursuant to Subsections B and D of this section, in fiscal year 2014, twenty-five percent of the total amount of money distributed to the tobacco settlement permanent fund in that fiscal year shall be distributed from the tobacco settlement permanent fund to the tobacco settlement program fund for appropriation for direct services provided by early childhood care and education programs administered by the children, youth and families department.

F. The tobacco settlement permanent fund shall be considered a reserve fund of the state and, as a reserve fund, may be expended in the event that general fund balances, including all authorized revenues and transfers to the general fund and balances in the general fund operating reserve, the appropriation contingency fund and the tax stabilization reserve, will not meet the level of appropriations authorized from the general fund for a fiscal
year. In that event, in order to avoid an unconstitutional
deficit, the legislature may authorize a transfer from the
tobacco settlement permanent fund to the general fund but
only in an amount necessary to meet general fund
appropriations."

SECTION 2. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2015.
John A. Sanchez, President
Senate

Lenore M. Naranjo, Chief Clerk
Senate

Don L. Tripp, Speaker
House of Representatives

Denise Ramonas, Chief Clerk
House of Representatives

Approved by me this 3rd day of April, 2015

Governor Susana Martinez
State of New Mexico