



General Assembly

**Amendment**

February Session, 2022

LCO No. 5146



Offered by:  
SEN. MINER, 30<sup>th</sup> Dist.

To: Senate Bill No. 367

File No. 316

Cal. No. 235

**"AN ACT CONCERNING ELECTRONIC NICOTINE DELIVERY SYSTEMS AND VAPOR PRODUCTS."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 1. Section 4-28e of the general statutes is repealed  
4 and the following is substituted in lieu thereof (*Effective July 1, 2022*):

5 (a) There is created a Tobacco Settlement Fund which shall be a  
6 separate nonlapsing fund. Any funds received by the state from the  
7 Master Settlement Agreement executed November 23, 1998, shall be  
8 deposited into the fund.

9 (b) (1) The Treasurer is authorized to invest all or any part of the  
10 Tobacco Settlement Fund, all or any part of the Tobacco and Health  
11 Trust Fund created in section 4-28f, as amended by this act, and all or  
12 any part of the Biomedical Research Trust Fund created in section 19a-  
13 32c. The interest derived from any such investment shall be credited to  
14 the resources of the fund from which the investment was made.

15 (2) Notwithstanding sections 3-13 to 3-13h, inclusive, the Treasurer  
16 shall invest the amounts on deposit in the Tobacco Settlement Fund, the  
17 Tobacco and Health Trust Fund and the Biomedical Research Trust  
18 Fund in a manner reasonable and appropriate to achieve the objectives  
19 of such funds, exercising the discretion and care of a prudent person in  
20 similar circumstances with similar objectives. The Treasurer shall give  
21 due consideration to rate of return, risk, term or maturity,  
22 diversification of the total portfolio within such funds, liquidity, the  
23 projected disbursements and expenditures, and the expected payments,  
24 deposits, contributions and gifts to be received. The Treasurer shall not  
25 be required to invest such funds directly in obligations of the state or  
26 any political subdivision of the state or in any investment or other fund  
27 administered by the Treasurer. The assets of such funds shall be  
28 continuously invested and reinvested in a manner consistent with the  
29 objectives of such funds until disbursed in accordance with this section,  
30 section 4-28f, as amended by this act, or section 19a-32c.

31 (c) [For] Commencing with the fiscal year ending June 30, [2018, and  
32 each fiscal year thereafter,] 2023, annual disbursements from the  
33 Tobacco Settlement Fund shall be made [to] as follows: (1) To the  
34 General Fund in the amount identified as "Transfer from Tobacco  
35 Settlement Fund" in the General Fund revenue schedule adopted by the  
36 General Assembly; and (2) to the Tobacco and Health Trust Fund in an  
37 amount equal to thirty-two million dollars.

38 [(d) For the fiscal year ending June 30, 2000, five million dollars shall  
39 be disbursed from the Tobacco Settlement Fund to a tobacco grant  
40 account to be established in the Office of Policy and Management. Such  
41 funds shall not lapse on June 30, 2000, and shall continue to be available  
42 for expenditure during the fiscal year ending June 30, 2001.

43 (e) Tobacco grants shall be made from the account established  
44 pursuant to subsection (d) of this section by the Secretary of the Office  
45 of Policy and Management in consultation with the speaker of the  
46 House of Representatives, the president pro tempore of the Senate, the  
47 majority leader of the House of Representatives, the majority leader of

48 the Senate, the minority leader of the House of Representatives, the  
49 minority leader of the Senate, and the cochairpersons and ranking  
50 members of the joint standing committees of the General Assembly  
51 having cognizance of matters relating to public health and  
52 appropriations and the budgets of state agencies, or their designees.  
53 Such grants shall be used to reduce tobacco abuse through prevention,  
54 education, cessation, treatment, enforcement and health needs  
55 programs.]

56 [(f)] (d) For the fiscal year ending June 30, 2005, and each fiscal year  
57 thereafter, the sum of one hundred thousand dollars is appropriated to  
58 the Department of Revenue Services and the sum of twenty-five  
59 thousand dollars is appropriated to the office of the Attorney General  
60 for the enforcement of the provisions of sections 4-28h to 4-28q,  
61 inclusive.

62 Sec. 2. Section 4-28f of the general statutes is repealed and the  
63 following is substituted in lieu thereof (*Effective July 1, 2022*):

64 (a) There is created a Tobacco and Health Trust Fund which shall be  
65 a separate nonlapsing fund. The purpose of the trust fund shall be to  
66 create a continuing significant source of funds to (1) support and  
67 encourage development of programs to reduce tobacco abuse through  
68 prevention, education and cessation programs, (2) support and  
69 encourage development of programs to reduce substance abuse, and (3)  
70 develop and implement programs to meet the unmet physical and  
71 mental health needs in the state.

72 (b) The trust fund may accept transfers from the Tobacco Settlement  
73 Fund and may apply for and accept gifts, grants or donations from  
74 public or private sources to enable the trust fund to carry out its  
75 objectives.

76 (c) The trust fund shall be administered by a board of trustees, except  
77 that the board shall suspend its operations from July 1, 2003, to June 30,  
78 2005, inclusive. The board shall consist of seventeen trustees. The  
79 appointment of the initial trustees shall be as follows: (1) The Governor

80 shall appoint four trustees, one of whom shall serve for a term of one  
81 year from July 1, 2000, two of whom shall serve for a term of two years  
82 from July 1, 2000, and one of whom shall serve for a term of three years  
83 from July 1, 2000; (2) the speaker of the House of Representatives and  
84 the president pro tempore of the Senate each shall appoint two trustees,  
85 one of whom shall serve for a term of two years from July 1, 2000, and  
86 one of whom shall serve for a term of three years from July 1, 2000; (3)  
87 the majority leader of the House of Representatives and the majority  
88 leader of the Senate each shall appoint two trustees, one of whom shall  
89 serve for a term of one year from July 1, 2000, and one of whom shall  
90 serve for a term of three years from July 1, 2000; (4) the minority leader  
91 of the House of Representatives and the minority leader of the Senate  
92 each shall appoint two trustees, one of whom shall serve for a term of  
93 one year from July 1, 2000, and one of whom shall serve for a term of  
94 two years from July 1, 2000; and (5) the Secretary of the Office of Policy  
95 and Management, or the secretary's designee, shall serve as an ex-officio  
96 voting member. Following the expiration of such initial terms,  
97 subsequent trustees shall serve for a term of three years. The period of  
98 suspension of the board's operations from July 1, 2003, to June 30, 2005,  
99 inclusive, shall not be included in the term of any trustee serving on July  
100 1, 2003. The trustees shall serve without compensation except for  
101 reimbursement for necessary expenses incurred in performing their  
102 duties. The board of trustees shall establish rules of procedure for the  
103 conduct of its business which shall include, but not be limited to,  
104 criteria, processes and procedures to be used in selecting programs to  
105 receive money from the trust fund. The trust fund shall be within the  
106 Office of Policy and Management for administrative purposes only. The  
107 board of trustees shall, not later than January first of each year, [except  
108 following a fiscal year in which the trust fund does not receive a deposit  
109 from the Tobacco Settlement Fund, shall] submit a report of its activities  
110 and accomplishments to the joint standing committees of the General  
111 Assembly having cognizance of matters relating to public health and  
112 appropriations and the budgets of state agencies, in accordance with  
113 section 11-4a.

114 (d) (1) [During the period commencing July 1, 2000, and ending June  
115 30, 2003, the board of trustees, by majority vote, may recommend  
116 authorization of disbursement from the trust fund for the purposes  
117 described in subsection (a) of this section and section 19a-6d, provided  
118 the board may not recommend authorization of disbursement of more  
119 than fifty per cent of net earnings from the principal of the trust fund for  
120 such purposes. For the fiscal year commencing July 1, 2005, and each  
121 fiscal year thereafter, the board may recommend authorization of the  
122 net earnings from the principal of the trust fund for such purposes. For  
123 the fiscal year ending June 30, 2009, and each fiscal year thereafter, the  
124 board may recommend authorization of disbursement for such  
125 purposes of (A) up to one-half of the annual disbursement from the  
126 Tobacco Settlement Fund to the Tobacco and Health Trust Fund from  
127 the previous fiscal year, pursuant to section 4-28e, up to a maximum of  
128 six million dollars per fiscal year, and (B) the net earnings from the  
129 principal of the trust fund from the previous fiscal year.] For the fiscal  
130 year ending June 30, [2014] 2023, and each fiscal year thereafter, the  
131 board [may] of trustees, by majority vote, shall recommend  
132 authorization of disbursement [of up to the total unobligated balance  
133 remaining in the trust fund after disbursement in accordance with the  
134 provisions of the general statutes and relevant special and public acts  
135 for such purposes, not to exceed twelve million dollars per fiscal year]  
136 from the trust fund of the amount deposited in the trust fund for the  
137 fiscal year pursuant to subsection (c) of section 4-28e, as amended by  
138 this act, for the purposes described in subsection (a) of this section and  
139 section 19a-6d. The board's recommendations shall give (i) priority to  
140 programs that address tobacco and substance abuse and serve minors,  
141 pregnant women and parents of young children, and (ii) consideration  
142 to the availability of private matching funds. Recommended  
143 disbursements from the trust fund shall be in addition to any resources  
144 that would otherwise be appropriated by the state for such purposes  
145 and programs.

146 (2) [Except during the fiscal years ending June 30, 2004, and June 30,  
147 2005, the] The board of trustees shall submit such recommendations for

148 the authorization of disbursement from the trust fund to the joint  
149 standing committees of the General Assembly having cognizance of  
150 matters relating to public health and appropriations and the budgets of  
151 state agencies. Not later than thirty days after receipt of such  
152 recommendations, said committees shall advise the board of their  
153 approval, modifications, if any, or rejection of the board's  
154 recommendations. If said joint standing committees do not concur, the  
155 speaker of the House of Representatives, the president pro tempore of  
156 the Senate, the majority leader of the House of Representatives, the  
157 majority leader of the Senate, the minority leader of the House of  
158 Representatives and the minority leader of the Senate each shall appoint  
159 one member from each of said joint standing committees to serve as a  
160 committee on conference. The committee on conference shall submit its  
161 report to both committees, which shall vote to accept or reject the report.  
162 The report of the committee on conference may not be amended. If a  
163 joint standing committee rejects the report of the committee on  
164 conference, the board's recommendations shall be deemed approved. If  
165 the joint standing committees accept the report of the committee on  
166 conference, the joint standing committee having cognizance of matters  
167 relating to appropriations and the budgets of state agencies shall advise  
168 the board of said joint standing committees' approval or modifications,  
169 if any, of the board's recommended disbursement. If said joint standing  
170 committees do not act within thirty days after receipt of the board's  
171 recommendations for the authorization of disbursement, such  
172 recommendations shall be deemed approved. Disbursement from the  
173 trust fund shall be in accordance with the board's recommendations as  
174 approved or modified by said joint standing committees.

175 (3) After such recommendations for the authorization of  
176 disbursement have been approved or modified pursuant to subdivision  
177 (2) of this subsection, any modification in the amount of an authorized  
178 disbursement in excess of fifty thousand dollars or ten per cent of the  
179 authorized amount, whichever is less, shall be submitted to said joint  
180 standing committees and approved, modified or rejected in accordance  
181 with the procedure set forth in subdivision (2) of this subsection.

182 Notification of all disbursements from the trust fund made pursuant to  
 183 this section shall be sent to the joint standing committees of the General  
 184 Assembly having cognizance of matters relating to public health and  
 185 appropriations and the budgets of state agencies, through the Office of  
 186 Fiscal Analysis.

187 (4) The board of trustees shall [, not later than February first of each  
 188 year , except following a fiscal year in which the trust fund does not  
 189 receive a deposit from the Tobacco Settlement Fund,] submit a biennial  
 190 report to the joint standing committees of the General Assembly having  
 191 cognizance of matters relating to public health and appropriations and  
 192 the budgets of state agencies, in accordance with the provisions of  
 193 section 11-4a. [, that includes] Such report shall include, but need not be  
 194 limited to, an accounting of the unexpended amount in the trust fund,  
 195 if any, all disbursements and other expenditures from the trust fund and  
 196 an evaluation of the performance and impact of each program receiving  
 197 funds from the trust fund. Such report shall also include the criteria and  
 198 application process used to select programs to receive such funds."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	July 1, 2022	New section
Sec. 2	July 1, 2022	4-28f