

1                                   A bill to be entitled  
2           An act relating to proceeds from the tobacco  
3           settlement; amending s. 569.21, F.S.; requiring  
4           the Governor in consultation with the Attorney  
5           General to report by a date certain on the  
6           status of the tobacco settlement agreement and  
7           the formula for calculating the annual  
8           payments; requiring the Comptroller to request  
9           informations from the tobacco industry which  
10          are used to calculate the annual payments and  
11          to verify such information; requiring the  
12          Comptroller to notify the Governor, the Senate  
13          and the House of Representatives of any  
14          overpayment or underpayment; authorizing any  
15          refund of overpayment subject to approval by  
16          Legislative Budget Commission; requiring  
17          Comptroller to request balance of any  
18          underpayment; directing Attorney General to  
19          institute action to collect unpaid  
20          underpayment; requiring the Auditor General to  
21          annually review State's process for  
22          verification of representations, to confirm  
23          that settlement payments are being made in  
24          accordance with the settlement agreement and to  
25          report to the Governor, the Legislature and the  
26          Attorney General regarding such confirmation;  
27          providing an appropriation; providing effective  
28          dates.

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30 Be It Enacted by the Legislature of the State of Florida:  
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1           Section 1. Present subsections (2) through (12) of  
2 section 569.21, Florida Statutes, are redesignated as  
3 subsections (4) through (14), respectively and new subsections  
4 (2) and (3) are added to that section, to read:

5           569.21 Expenditure of tobacco settlement  
6 proceeds.--The following guidelines shall be applied to the  
7 expenditure of all funds paid to the State of Florida as a  
8 result of litigation entitled The State of Florida et al. v.  
9 American Tobacco Company et al., Case #95-1466AH, in the  
10 Circuit Court of the Fifteenth Judicial Circuit, in and for  
11 Palm Beach County:

12           (2) The Governor, in consultation with the Attorney  
13 General, shall submit a report to the President of the Senate,  
14 the Speaker of the House of Representatives, the Comptroller,  
15 and the Auditor General by October 1, 2001, on the status of  
16 the settlement agreement as amended, in The State of Florida  
17 et al. v. American Tobacco Company et al., Case #95-1466AH, in  
18 the Circuit Court of the Fifteenth Judicial Circuit, in and  
19 for Palm Beach County. The report shall specifically describe  
20 and explain the settlement agreement's formula for determining  
21 the amount of the annual tobacco settlement payments and the  
22 application of the formula.

23           (3) The Comptroller shall request information from the  
24 tobacco industry with respect to calculating the annual  
25 tobacco-settlement payments. The Comptroller, in consultation  
26 with the Auditor General, shall verify the information from  
27 the tobacco industry, verify the annual payment amounts by  
28 applying the terms of the settlement agreement to the  
29 submitted industry information, and appropriately resolve  
30 inconsistencies. The Comptroller may obtain contractual  
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1 services necessary to verify the information from the tobacco  
2 industry.

3 (a) If the Comptroller determines that there has been  
4 an overpayment by a settling defendant pursuant to the  
5 settlement agreement, and the Auditor General confirms the  
6 overpayment, the Comptroller shall notify the Governor, the  
7 Senate and the House of Representatives of such overpayment.  
8 Upon approval by the Legislative Budget Commission, a refund  
9 shall be made to the respective settling defendant for the  
10 overpayment by the Comptroller.

11 (b) If the Comptroller determines that there has been  
12 an underpayment by a settling defendant pursuant to the  
13 settlement agreement, and the Auditor General confirms the  
14 underpayment, the Comptroller shall notify the Governor, the  
15 Senate, the House of Representatives, and the Attorney General  
16 of such underpayment. Within 10 days of the notification the  
17 Comptroller shall on behalf of the state request the  
18 respective settling defendant to pay the underpayment. If  
19 within 40 days after the request for payment, the settling  
20 defendant has not made payment or entered into an agreement  
21 with the Attorney General and the Governor for a method of  
22 payment, the Attorney General shall institute proceedings in  
23 State of Florida v. American Tobacco to enforce the agreement  
24 and to collect the amount owed.

25 (c) The Auditor General shall annually review the  
26 state's process for verifying the annual tobacco settlement  
27 payments and confirm that the payments were properly made in  
28 accordance with the settlement agreement. The Auditor General  
29 shall report on such confirmation and any deviation from such  
30 process to the Governor, the President of the Senate, the  
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1 Speaker of the House of Representatives, the Comptroller and  
2 the Attorney General.  
3       Section 2. The Governor is authorized to submit a  
4 budget amendment to the Legislative Budget Commission to  
5 transfer funds from the Tobacco Settlement Clearing Trust Fund  
6 or any of the agency Tobacco Settlement Trust Funds to the  
7 appropriate trust funds of the Governor, Comptroller, or  
8 Attorney General to cover costs incurred to ensure that  
9 tobacco settlement receipt amounts are accurate. This section  
10 authorizes transfers between agencies, pursuant to the  
11 requirements of section 216.292(1)(a), Florida Statutes. The  
12 total amount transferred from the Tobacco Settlement Clearing  
13 Trust Fund and the agency Tobacco Settlement Trust Funds shall  
14 not exceed \$1 million.  
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