

HB 401 -- Tobacco Settlement Payment Securitization

Co-Sponsors: Pratt, Bearden, Icet, Byrd, Hanaway, Phillips, Crowell, Schaaf, Yates

This bill makes changes to the authorization allowing securitization through the sale of bonds of a portion of the state's annual tobacco settlement payments.

Under current law, a limit of \$175 million of the bond proceeds could be used in any one fiscal year. Any unused amount could be carried forward and be cumulatively added to the next fiscal year's expenditure allowance of \$175 million. The bill changes this provision by capping Fiscal Year 2003 expenditures of the proceeds at \$100 million and limiting future expenditures to no more than \$300 million in any subsequent fiscal year.

The bill also clarifies the law allowing concurrent authority to the Board of Public Buildings to issues bonds for securitization with the Tobacco Settlement Financing Authority and requires all proceeds from the bond sale to be deposited in the Tobacco Securitization Settlement Trust Fund.

The bill contains an emergency clause.