

Bill No. CS/HB 1721, 1st Eng.

Amendment No.     

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
1		.	
2		.	
3		.	
4		.	
5	<hr/>		
6			
7			
8			
9			
10	<hr/>		
11	Senator Horne moved the following amendment:		
12			
13	<b>Senate Amendment (with title amendment)</b>		
14	Delete everything after the enacting clause		
15			
16	and insert:		
17	Section 1. Section 215.5601, Florida Statutes, is		
18	amended to read:		
19	215.5601 Lawton Chiles Endowment Fund.--		
20	(1) SHORT TITLE.--This section may be cited as the		
21	"Lawton Chiles Endowment Fund."		
22	(2) DEFINITIONS.--As used in this section:		
23	(a) "Board" means the State Board of Administration		
24	established by s. 16, Art. IX of the State Constitution of		
25	1885 and incorporated into s. 9(c), Art. XII of the State		
26	Constitution of 1968.		
27	(b) "Endowment" means the Lawton Chiles Endowment		
28	Fund.		
29	(c) "Earnings" means all income generated by		
30	investments and the net change in the market value of assets.		
31	(d) <u>"Participating manufacturer" means any</u>		

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 manufacturer of tobacco products which meets the requirements  
2 of subsection (4).

3 (e)~~(d)~~ "State agency" or "state agencies" means the  
4 Department of Health, the Department of Children and Family  
5 Services, the Department of Elderly Affairs, or the Agency for  
6 Health Care Administration, or any combination thereof, as the  
7 context indicates.

8 (3) LEGISLATIVE INTENT.--It is the intent of the  
9 Legislature to:

10 (a) Provide a perpetual source of funding for the  
11 future of state children's health programs, child welfare  
12 programs, community-based health and human services  
13 initiatives, and biomedical research activities.

14 (b) Ensure that enhancement revenues will be available  
15 to finance these important initiatives.

16 (c) Use funds received from the Tobacco Settlement  
17 Clearing Trust Fund moneys to ensure the financial security of  
18 vital health and human services programs.

19 (d) Encourage the development of community-based  
20 solutions to strengthen and improve the quality of life of  
21 Florida's most vulnerable citizens.

22 (e) Provide funds for cancer research and  
23 public-health research for diseases linked to tobacco use.

24 (f) Provide tobacco manufacturers the opportunity to  
25 voluntarily participate in mitigating the impact of the use of  
26 tobacco on the residents of this state.

27 (4) PARTICIPATING MANUFACTURERS; QUALIFICATIONS.--

28 (a)1. A tobacco manufacturer may become a  
29 participating manufacturer by entering into an agreement with  
30 the Attorney General which provides for the following:

31 a. Elimination of the manufacturer's outdoor

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 advertising and transit advertisements at the earlier of the  
2 expiration of applicable contracts or 4 months after the date  
3 the final list of outdoor advertising signs is supplied to the  
4 Attorney General. The manufacturer shall provide a final list  
5 of all its outdoor advertising signs and transit  
6 advertisements to the Attorney General within 45 days after  
7 entering the agreement.

8       b. Support of the state's efforts to mitigate the  
9 impact of the use of tobacco through annual payments to the  
10 state. On January 1 of each year, the Division of Alcoholic  
11 Beverages and Tobacco of the Department of Business and  
12 Professional Regulation shall calculate the payment amount,  
13 which is due by January 31 of that year. The payment amount  
14 shall be based on the number of cigarette packages delivered  
15 to wholesale dealers for sale in this state by the  
16 manufacturer from January 1 until December 31 of the prior  
17 year. The payment amount per package shall be calculated as  
18 the total annual payment due to the state pursuant to the  
19 settlement agreement in the case of The State of Florida et  
20 al., v. American Tobacco Company et al., divided by the total  
21 number of packages delivered to wholesale dealers for sale in  
22 this state by the four settling manufacturers during the  
23 previous 12 months, rounded to the nearest tenth of a cent.

24       2. Cigarettes produced by each manufacturer that fully  
25 complies with the agreement entered into with the Attorney  
26 General under subparagraph 1. and makes the annual payment by  
27 January 31 are exempt from the surtax on cigarettes imposed  
28 under s. 210.02(6) for the subsequent 12-month period.

29       (b) All tobacco manufacturers that are signatories to  
30 the settlement agreement entered on August 25, 1997, in the  
31 case of The State of Florida et al., v. American Tobacco

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 Company et al., and the settlement agreement entered on March  
 2 15, 1996, in the case of State of West Virginia, State of  
 3 Florida, State of Mississippi, Commonwealth of Massachusetts,  
 4 and State of Louisiana v. Brooke Group Ltd. and Liggett Group,  
 5 Inc., are participating manufacturers. Cigarettes produced by  
 6 each such manufacturer that fully complies with the applicable  
 7 settlement agreement and makes the annual payment required  
 8 under the agreement by December 31 are exempt from the surtax  
 9 on cigarettes imposed under s. 210.02(6) for the subsequent  
 10 12-month period.

11 (c) Funds received from participating manufacturers  
 12 shall be deposited into the Department of Banking and Finance  
 13 Tobacco Settlement Clearing Trust Fund.

14 (5)(4) LAWTON CHILES ENDOWMENT FUND; CREATION;  
 15 PURPOSES AND USES.--

16 (a) There is created the Lawton Chiles Endowment Fund,  
 17 to be administered by the State Board of Administration. The  
 18 endowment shall serve as a clearing trust fund not subject to  
 19 termination pursuant to s. 19(f), Art. III of the State  
 20 Constitution and shall be funded by ~~settlement~~ moneys received  
 21 from the Tobacco Settlement Clearing Trust Fund ~~industry~~. The  
 22 endowment fund shall be exempt from the service charges  
 23 imposed by s. 215.20.

24 (b) Funds from the endowment shall be distributed by  
 25 the board to trust funds of the state agencies in the amounts  
 26 indicated by reference to the legislative appropriations for  
 27 the state agencies, except as otherwise provided in this  
 28 section.

29 (c) The state agencies shall use the funds from the  
 30 endowment to enhance or support increases in clients served or  
 31 in program costs in health and human services program areas.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           (d) The Secretary of Health, the Secretary of Children  
2 and Family Services, the Secretary of Elderly Affairs, and the  
3 Director of Health Care Administration shall conduct meetings  
4 to discuss program priorities for endowment funding prior to  
5 submitting their budget requests to the Executive Office of  
6 the Governor and the Legislature. The purpose of the meetings  
7 shall be to gain consensus for priority requests and  
8 recommended endowment funding levels for those priority  
9 requests. An agency head may not designate a proxy for these  
10 meetings.

11           (e) Funds from the endowment may not be used to  
12 supplant existing revenues.

13           (f) When advised by the Revenue Estimating Conference  
14 that a deficit will occur with respect to the appropriations  
15 from the Tobacco Settlement Clearing Trust Fund in any fiscal  
16 year, the Governor shall develop a plan of action to eliminate  
17 the deficit. Before implementing the plan of action, the  
18 Governor must comply with the provisions of s. 216.177(2). In  
19 developing the plan of action, the Governor shall, to the  
20 extent possible, preserve legislative policy and intent, and,  
21 absent any specific directions to the contrary in the General  
22 Appropriations Act, any reductions in appropriations from the  
23 Tobacco Settlement Clearing Trust Fund for a fiscal year shall  
24 be prorated among the purposes for which funds were  
25 appropriated from the Tobacco Settlement Clearing Trust Fund  
26 for that year.

27           ~~(6)(5)~~ ADMINISTRATION OF THE ENDOWMENT.--

28           (a) The board is authorized to invest and reinvest  
29 funds of the endowment in those securities listed in s.  
30 215.47, in accordance with the fiduciary standards set forth  
31 in s. 215.47(9) and consistent with an investment plan

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 developed by the executive director and approved by the board.  
2 Costs and fees of the board for investment services shall be  
3 deducted from the earnings accruing to the endowment.

4 (b) The endowment shall be managed as an annuity. The  
5 investment objective shall be long-term preservation of the  
6 real value of the principal and a specified regular annual  
7 cash outflow for appropriation, as nonrecurring revenue. The  
8 schedule of annual cash outflow shall be included within the  
9 investment plan adopted pursuant to paragraph (a).

10 (c) The board shall establish a separate account for  
11 the funds of the endowment. The board shall design and operate  
12 an investment portfolio that maximizes the financial return to  
13 the endowment, consistent with the risks inherent in each  
14 investment, and that is designed to preserve an appropriate  
15 diversification of the portfolio.

16 (d) No later than February 15, 2000, the board shall  
17 report on the financial status of the endowment to the  
18 Governor, the Speaker of the House of Representatives, the  
19 President of the Senate, the chairs of the respective  
20 appropriations and appropriate substantive committees of each  
21 chamber, and the Revenue Estimating Conference. Thereafter,  
22 the board shall make a status report to such persons no later  
23 than August 15 and February 15 of each year.

24 (e) Accountability for funds from the endowment which  
25 have been appropriated to a state agency and distributed by  
26 the board shall reside with the state agency. The board is not  
27 responsible for the proper expenditure or accountability of  
28 funds from the endowment after distribution to a state agency.

29 (f) The board may collect a fee for service from the  
30 endowment no greater than that charged to the Florida  
31 Retirement System.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           ~~(7)~~~~(6)~~ AVAILABILITY OF FUNDS.--

2           (a) Funds from the endowment shall not be available  
3 for appropriation to a state agency until July 1, 2000.  
4 Beginning July 1, 2000, the maximum annual amount of endowment  
5 funds that may be appropriated shall be in accordance with the  
6 following, based on earnings averaged over 3 years:

7           1. Beginning July 1, 2000, no more than a level of  
8 spending representing earnings at a rate of 3 percent.

9           2. Beginning July 1, 2001, no more than a level of  
10 spending representing earnings at a rate of 4 percent.

11           3. Beginning July 1, 2002, no more than a level of  
12 spending representing earnings at a rate of 5 percent.

13           4. Beginning July 1, 2003, and thereafter, no more  
14 than a level of spending representing earnings at a rate of 6  
15 percent.

16           **(b) The Legislature may not appropriate more than 85**  
17 **percent of the revenue that is received from participating**  
18 **manufacturers or pursuant to s. 210.02 in any fiscal year and**  
19 **made available for appropriation in the subsequent fiscal**  
20 **year. Revenue received from participating manufacturers or**  
21 **pursuant to s. 210.02 in any fiscal year which is not**  
22 **appropriated by the Legislature shall be deposited into the**  
23 **Lawton Chiles Endowment Fund.**

24           ~~(c)~~~~(b)~~ Notwithstanding the provisions of s. 216.301  
25 and pursuant to s. 216.351, all unencumbered balances of  
26 appropriations as of June 30 or undisbursed balances as of  
27 December 31 shall revert to the endowment's principal.

28           ~~(8)~~~~(7)~~ ENDOWMENT PRINCIPAL; APPROPRIATION OF  
29 EARNINGS.--The following amounts are appropriated from the  
30 Department of Banking and Finance Tobacco Settlement Clearing  
31 Trust Fund to the Lawton Chiles Endowment Fund for Health and

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 Human Services:

2 (a) For fiscal year 1999-2000, \$1.1 billion;

3 (b) For fiscal year 2000-2001, \$200 million;

4 (c) For fiscal year 2001-2002, \$200 million; ~~and~~

5 (d) For fiscal year 2002-2003, \$200 million; ~~and-~~

6 (e) For all subsequent fiscal years, a minimum of \$25  
7 million.

8 Section 2. Section 210.02, Florida Statutes, is  
9 amended to read:

10 210.02 Cigarette tax imposed; collection.--

11 (1) An excise or privilege tax, in addition to all  
12 other taxes of every kind imposed by law, is imposed upon the  
13 sale, receipt, purchase, possession, consumption, handling,  
14 distribution, and use of cigarettes in this state, in the  
15 following amounts, except as hereinafter otherwise provided,  
16 for cigarettes of standard dimensions:

17 (a) Upon all cigarettes weighing not more than 3  
18 pounds per thousand, 16.95 mills on each cigarette.

19 (b) Upon all cigarettes weighing more than 3 pounds  
20 per thousand and not more than 6 inches long, 33.9 mills on  
21 each cigarette.

22 (c) Upon all cigarettes weighing more than 3 pounds  
23 per thousand and more than 6 inches long, 67.8 mills on each  
24 cigarette.

25 (2) The description of cigarettes contained in  
26 paragraphs (a), (b), and (c) of subsection (1) are hereby  
27 declared to be standard as to dimensions for taxing purposes  
28 as provided in this law and should any cigarette be received,  
29 purchased, possessed, sold, offered for sale, given away, or  
30 used of a size other than of standard dimensions, the same  
31 shall be taxed at the rate of 1.41 cents on each such



Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 cigarette.

2 (3) When cigarettes as described in paragraph (1)(a)  
3 are packed in varying quantities of 20 cigarettes or less,  
4 except manufacturer's free samples authorized under s.  
5 210.04(9), the following rate shall govern:

6 (a) Packages containing 10 cigarettes or less require  
7 a 16.95-cent tax.

8 (b) Packages containing more than 10 but not more than  
9 20 cigarettes require a 33.9-cent tax.

10 (4) When cigarettes as described in paragraph (1)(b)  
11 are packed in varying quantities of 20 cigarettes or less,  
12 except manufacturer's free samples authorized under s.  
13 210.04(9), the following rates shall govern:

14 (a) Packages containing 10 cigarettes or less require  
15 a 33.9-cent tax.

16 (b) Packages containing more than 10 but not more than  
17 20 cigarettes require a 67.8-cent tax.

18 (5) When cigarettes as described in paragraph (1)(c)  
19 are packed in varying quantities of 20 cigarettes or less,  
20 except manufacturer's free samples authorized under s.  
21 210.04(9), the following rates shall govern:

22 (a) Packages containing 10 cigarettes or less require  
23 a 67.8-cent tax.

24 (b) Packages containing more than 10 but not more than  
25 20 cigarettes require a 135.6-cent tax.

26 (6) Beginning February 1, 2001, an additional surtax  
27 shall be added to the amounts otherwise provided in this  
28 section. The division shall calculate the surtax on January 1  
29 of each year, and the surtax shall apply on February 1. The  
30 surtax per package shall be calculated as the total annual  
31 payment due to the state pursuant to the settlement agreement

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 in the case of The State of Florida et al., v. American  
2 Tobacco Company et al., divided by the total number of  
3 packages of cigarettes delivered to wholesale dealers for sale  
4 in this state by the four settling manufacturers during the  
5 previous 12 months, rounded to the nearest tenth of a cent.

6 ~~(7)(6)~~ This tax shall be paid by the dealer to the  
7 division for deposit and distribution as hereinafter provided  
8 upon the first sale or transaction within the state, whether  
9 or not such sale or transfer be to the ultimate purchaser or  
10 consumer. The seller or dealer shall collect the tax from the  
11 purchaser or consumer, and the purchaser or consumer shall pay  
12 the tax to the seller. The seller or dealer shall be  
13 responsible for the collection of the tax and the payment of  
14 the same to the division. All taxes are due not later than the  
15 10th day of the month following the calendar month in which  
16 they were incurred, and thereafter shall bear interest at the  
17 rate of 1 percent per month. If the amount of tax due for a  
18 given period is assessed without allocating it to any  
19 particular month, the interest shall begin with the date of  
20 the assessment. Whenever cigarettes are shipped from outside  
21 the state to anyone other than a distributing agent or  
22 wholesale dealer, the person receiving the cigarettes shall be  
23 responsible for the tax on said cigarettes and the payment of  
24 same to the division.

25 ~~(8)(7)~~ It is the legislative intent that the tax on  
26 cigarettes shall be uniform throughout the state.

27 Section 3. Section 210.20, Florida Statutes, is  
28 amended to read:

29 210.20 Employees and assistants; distribution of  
30 funds.--

31 (1) The division under the applicable rules of the

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 Department of Management Services shall have the power to  
2 employ such employees and assistants and incur such other  
3 expenses as may be necessary for the administration of this  
4 part, within the limits of an appropriation for the operation  
5 of the Department of Business and Professional Regulation as  
6 may be authorized by the General Appropriations Act.

7 (2) As collections are received by the division from  
8 such cigarette taxes, it shall pay the same into a trust fund  
9 in the State Treasury designated "Cigarette Tax Collection  
10 Trust Fund" which shall be paid and distributed as follows:

11 (a) The division shall from month to month certify to  
12 the Comptroller the amount derived from the cigarette tax  
13 imposed by s. 210.02(1)-(5)~~s. 210.02~~, less the service  
14 charges provided for in s. 215.20 and less 0.9 percent of the  
15 amount derived from the cigarette tax imposed by s. 210.02,  
16 which shall be deposited into the Alcoholic Beverage and  
17 Tobacco Trust Fund, specifying the amounts to be transferred  
18 from the Cigarette Tax Collection Trust Fund and credited on  
19 the basis of 5.8 percent of the net collections to the  
20 Municipal Financial Assistance Trust Fund, 32.4 percent of the  
21 net collections to the Revenue Sharing Trust Fund for  
22 Municipalities, 2.9 percent of the net collections to the  
23 Revenue Sharing Trust Fund for Counties, and 29.3 percent of  
24 the net collections for the funding of indigent health care to  
25 the Public Medical Assistance Trust Fund.

26 (b) The division shall from month to month certify to  
27 the Comptroller the amount derived from the cigarette surtax  
28 imposed by s. 210.02(6), and that amount shall be transferred  
29 from the Cigarette Tax Collection Trust Fund and credited to  
30 the Department of Banking and Finance Tobacco Settlement  
31 Clearing Trust Fund.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1            (c)~~(b)~~ The division shall from month to month certify  
2 to the Comptroller the amount derived from the cigarette tax  
3 imposed by s. 210.02 on all cigarettes sold at retail on any  
4 property of the Inter-American Center Authority, created by  
5 chapter 554, and such amount, less the service charge provided  
6 for in s. 215.20, shall be paid to said Inter-American Center  
7 Authority by warrant drawn by the Comptroller upon the State  
8 Treasury, which amount is hereby appropriated monthly out of  
9 such Cigarette Tax Collection Trust Fund.

10            (d)~~(c)~~ Beginning January 1, 1999, and continuing for  
11 10 years thereafter, the division shall from month to month  
12 certify to the Comptroller the amount derived from the  
13 cigarette tax imposed by s. 210.02, less the service charges  
14 provided for in s. 215.20 and less 0.9 percent of the amount  
15 derived from the cigarette tax imposed by s. 210.02 which  
16 shall be deposited into the Alcoholic Beverage and Tobacco  
17 Trust Fund, specifying an amount equal to 2.59 percent of the  
18 net collections, and that amount shall be paid to the Board of  
19 Directors of the H. Lee Moffitt Cancer Center and Research  
20 Institute, established under s. 240.512, by warrant drawn by  
21 the Comptroller upon the State Treasury. These funds are  
22 hereby appropriated monthly out of the Cigarette Tax  
23 Collection Trust Fund, to be used for the purpose of  
24 constructing, furnishing, and equipping a cancer research  
25 facility at the University of South Florida adjacent to the H.  
26 Lee Moffitt Cancer Center and Research Institute. In fiscal  
27 years 1999-2000 and thereafter with the exception of fiscal  
28 year 2008-2009, the appropriation to the H. Lee Moffitt ~~Moffitt~~  
29 Cancer Center and Research Institute authorized by this  
30 paragraph shall not be less than the amount which would have  
31 been paid to the H. Lee Moffitt Cancer Center and Research

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 Institute for fiscal year 1998-1999 had payments been made for  
2 the entire fiscal year rather than for a 6-month period  
3 thereof.

4 (3) After all distributions hereinabove provided for  
5 have been made, the balance of the revenue produced from the  
6 tax imposed by this part shall be deposited in the General  
7 Revenue Fund.

8 Section 4. Section 215.5603, Florida Statutes, is  
9 created to read:

10 215.5603 Tobacco Settlement Financing Corporation.--

11 (1) DEFINITIONS.--As used in this section, the term:

12 (a) "Bond" means any bond, debenture, note,  
13 certificate, or other obligation of financial indebtedness  
14 issued by the corporation under this section.

15 (b) "Corporation" means the Tobacco Settlement  
16 Financing Corporation created by this section.

17 (c) "Department" means the Department of Banking and  
18 Finance or its successor.

19 (d) "Insurance" means a contract whereby one  
20 undertakes to indemnify another or pay or allow a specified  
21 amount or a determinable benefit upon determinable  
22 contingencies.

23 (e) "Purchase agreement" means a contract between the  
24 corporation and the state, acting by and through the  
25 department, in which the state sells to the corporation any or  
26 all of the state's right, title, and interest in and to the  
27 tobacco settlement agreement, including, but not limited to,  
28 the moneys to be received thereunder.

29 (f) "Tobacco settlement agreement" means the  
30 settlement agreement, as amended, entered into by the state  
31 and participating cigarette manufacturers in settlement of

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 State of Florida et al. v. American Tobacco Co., Case No.  
2 95-1466AH (Fla. 15th Cir. Ct. 1996).

3 (2) CORPORATION CREATION AND AUTHORITY.--

4 (a) The Tobacco Settlement Financing Corporation is  
5 created as a special purpose, not-for-profit, public benefits  
6 corporation for the purpose of:

7 1. Developing a plan which is subject to the review,  
8 modification, and approval of the Legislature, by which it  
9 will purchase any or all of the state's right, title, and  
10 interest in and to the tobacco settlement agreement and will  
11 issue bonds to pay the purchase price therefor. The sale of  
12 bonds is subject to ratification by law. Funds generated by  
13 the sale of the bonds shall be used to provide funding for the  
14 Lawton Chiles Endowment Fund; or

15 2. Purchasing insurance, subject to the review,  
16 modification, and approval of the Legislature, to insure the  
17 state against the loss of proceeds from the tobacco settlement  
18 agreement.

19 (b) The corporation shall be governed by a board of  
20 directors consisting of the Governor, the Treasurer, the  
21 Comptroller, the Attorney General, two directors appointed  
22 from the membership of the Senate by the President of the  
23 Senate, and two directors appointed from the membership of the  
24 House of Representatives by the Speaker of the House of  
25 Representatives. On January 7, 2003, the board shall include  
26 the Chief Financial Officer in place of the Treasurer and the  
27 Comptroller.

28 (c) The corporation shall have all the powers of a  
29 corporate body under the laws of this state, including, but  
30 not limited to, the powers of corporations under chapter 617,  
31 to the extent not inconsistent with or restricted by the

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 provisions of this section, including, but not limited to, the  
2 power to:

3 1. Adopt, amend, and repeal bylaws not inconsistent  
4 with this section.

5 2. Sue and be sued.

6 3. Adopt and use a common seal.

7 4. Acquire, purchase, hold, lease, and convey real and  
8 personal property, contract rights, general intangibles,  
9 revenues, moneys, and accounts as is proper or expedient to  
10 carry out the purposes of the corporation and this section and  
11 to assign, convey, sell, transfer, lease, or otherwise dispose  
12 of such property.

13 5. Elect or appoint and employ such officers, agents,  
14 and employees as the corporation deems advisable to operate  
15 and manage the affairs of the corporation, which officers,  
16 agents, and employees may be employees of the state or of the  
17 state officers and agencies represented on the board of  
18 directors of the corporation.

19 6. Make and execute any and all contracts, trust  
20 agreements, trust indentures, and other instruments and  
21 agreements necessary or convenient to accomplish the purposes  
22 of the corporation and this section, including, but not  
23 limited to, investment contracts approved by the Legislature,  
24 swap agreements, liquidity facilities, or the purchase, as  
25 approved by the Legislature, of insurance or reinsurance.

26 7. Select, retain, and employ professionals,  
27 contractors, or agents, which may include the Division of Bond  
28 Finance of the State Board of Administration and the Division  
29 of State Purchasing of the Department of Management Services,  
30 as are necessary or convenient to enable or assist the  
31 corporation in carrying out the purposes of the corporation.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           8. Do any act or thing necessary or convenient to  
2 carry out the purposes of the corporation subject to the  
3 review, modification, and approval of the Legislature as  
4 provided herein.

5           (d) With the approval of at least six of its  
6 directors, the corporation may plan to purchase insurance to  
7 insure the state, for 7 years, against the loss of 50 percent  
8 of the revenues to be paid to the state pursuant to the  
9 tobacco settlement agreement. The total premium paid for this  
10 insurance may not exceed \$200 million. The plan is subject to  
11 review, modification, and approval of the Legislature.  
12 Purchase of insurance is subject to legislative approval.

13           (e) With the approval of at least six of its  
14 directors, the corporation may develop a plan to enter into  
15 one or more purchase agreements with the department pursuant  
16 to which the corporation will purchase any or all of the  
17 state's right, title, and interest in and to the tobacco  
18 settlement agreement and will execute and deliver any other  
19 documents necessary or desirable to effectuate such purchase.  
20 The plan is subject to review, modification, and approval of  
21 the Legislature. Sale of all or part of the state's right,  
22 title, and interest in and to the tobacco settlement agreement  
23 is subject to approval by the Legislature.

24           (f) Subject to the review, modification, and approval  
25 by the Legislature, the corporation may issue bonds payable  
26 from and secured by amounts payable to the corporation from  
27 proceeds of the tobacco settlement agreement. The corporation  
28 is additionally authorized to issue bonds to refund previously  
29 issued bonds and to deposit the proceeds of such bonds as  
30 provided in the documents authorizing the issuance of such  
31 bonds. Upon legislative approval of the issuance of bonds, the



Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 corporation is authorized, to do all things necessary or  
 2 desirable in connection with the issuance of the bonds,  
 3 including, but not limited to, establishing debt service  
 4 reserves or other additional security for the bonds, providing  
 5 for capitalized interest, and executing and delivering any and  
 6 all documents and agreements. The total principal amount of  
 7 bonds issued by the corporation shall not exceed \$3 billion.  
 8 The principal amount of bonds issued in any single fiscal year  
 9 shall not exceed \$1.5 billion, beginning with the 2000-2001  
 10 fiscal year. The limitation on the principal amount of bonds  
 11 does not apply the bonds issued to refund previously issued  
 12 bonds. The term of any such bonds shall not exceed 40 years,  
 13 and the rate of interest on such bonds may not exceed 10  
 14 percent. The corporation may sell bonds through competitive  
 15 bidding or negotiated contracts, whichever method of sale is  
 16 determined by the corporation to be in the best interest of  
 17 the corporation.

18 (g) The corporation does not have the power to pledge  
 19 the credit, the general revenues, or the taxing power of the  
 20 state or of any political subdivision of the state. The  
 21 obligations of the department and the corporation under the  
 22 purchase agreement and under any bonds shall not constitute a  
 23 general obligation of the state or a pledge of the faith and  
 24 credit or taxing power of the state. The bonds shall be  
 25 payable from and secured by payments received under the  
 26 tobacco settlement agreement, and neither the state nor any of  
 27 its agencies shall have any liability on such bonds. Such  
 28 bonds shall not be construed in any manner as an obligation of  
 29 the state or any of its agencies, the department, the State  
 30 Board of Administration or entities for which it invests  
 31 funds, or board members or their respective agencies.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           (h) Notwithstanding any other provision of law, any  
2 pledge of or other security interest in revenues, money,  
3 accounts, contract rights, general intangibles, or other  
4 personal property made or created by the corporation resulting  
5 from the authority granted by law shall be valid, binding, and  
6 perfected from the time such pledge is made or other security  
7 interest attaches without any physical delivery of the  
8 collateral or further act, and the lien of any such pledge or  
9 other security interest shall be valid, binding, and perfected  
10 against all parties having claim of any kind in tort, in  
11 contract, or otherwise against the corporation irrespective of  
12 whether such parties have notice of such claims. No instrument  
13 by which such a pledge or security interest is created nor any  
14 financing statement need be recorded or filed.

15           (i) The corporation may validate any bonds issued  
16 pursuant to this section and the security for payment  
17 therefor, as provided in chapter 75. The validation  
18 proceedings may be brought only in the circuit court for Leon  
19 County. The notice required under s. 75.06 must be published  
20 in Leon County, and the petition and order of the circuit  
21 court shall be served only on the State Attorney for the  
22 Second Judicial Circuit. The provisions of ss. 75.04(2) and  
23 75.06(2) shall not apply to validation proceedings brought  
24 under this paragraph. The validation of the first bonds issued  
25 pursuant to this section may be appealed to the Supreme Court,  
26 and the Court shall process such appeal expeditiously.

27           (j) The state covenants with the holders of bonds of  
28 the corporation that the state will not limit or alter the  
29 authority or the rights under this section vested in the  
30 corporation to fulfill the terms of any agreements, including  
31 the terms of any purchase agreement, or in any way impair the

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 rights and remedies of such bondholders as long as any such  
2 bonds remain outstanding unless adequate provision has been  
3 made for the payment of such bonds pursuant to the documents  
4 authorizing such bonds.

5 (k) The corporation shall not take any action that  
6 will materially and adversely affect the rights of holders of  
7 any bonds issued under this section as long as such bonds are  
8 outstanding.

9 (l) As long as the corporation has any bonds  
10 outstanding, the corporation may not file a voluntary petition  
11 under chapter 9 of the federal Bankruptcy Code or such  
12 corresponding chapter or sections as are in effect from time  
13 to time, and neither any public officer nor any organization,  
14 entity, or other person may authorize the corporation, while  
15 bonds are outstanding, to be or become a debtor under chapter  
16 9 of the federal Bankruptcy Code or such corresponding chapter  
17 or sections as are in effect from time to time.

18 (m) The corporation may contract with the State Board  
19 of Administration to serve as trustee with respect to bonds  
20 issued by the corporation as provided by this section and to  
21 hold, administer, and invest proceeds of such bonds and other  
22 funds of the corporation and to perform other services  
23 required by the corporation. The State Board of Administration  
24 may perform such services and may contract with others to  
25 provide any such services and to recover the costs and  
26 expenses of providing such services.

27 (n) The corporation shall not be deemed to be a  
28 special district or a unit of local government. The provisions  
29 of chapter 120, part I of chapter 287, and ss. 215.57-215.83  
30 do not apply to the corporation, to any purchase agreements  
31 entered into under this section, or to any bonds issued by the

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 corporation as provided in this section, except that  
2 underwriters, financial advisors, and legal counsel must be  
3 selected in a manner consistent with the rules adopted  
4 pursuant to the State Bond Act for the selection of service  
5 providers and underwriters.

6 (o) In no event shall any of the benefits or earnings  
7 of the corporation inure to the benefit of any private person.

8 (p) Unless such officer, employee, or agent acted  
9 outside the course and scope of her or his employment or acted  
10 in bad faith or with malicious purpose or in a manner  
11 exhibiting wanton and willful disregard of human rights,  
12 safety, or property, there shall be no liability on the part  
13 of, and no cause of action shall arise against, any board  
14 member of the corporation or any employee of the corporation  
15 or the state for any action taken by them in the performance  
16 of their duties under this section.

17 (q) The corporation is exempt from taxation and  
18 assessments of any nature whatsoever upon its income and any  
19 property, assets, or revenues acquired, received, or used in  
20 the furtherance of the purposes provided in this section.

21 (r) The corporation and its corporate existence shall  
22 continue until terminated by law; however, the corporation may  
23 not be terminated while it has bonds outstanding unless  
24 adequate provision is made for the payment of such bonds  
25 pursuant to the documents authorizing the issuance of such  
26 bonds. Upon termination of the corporation, all its rights and  
27 assets in excess of its obligations shall pass to and be  
28 vested in the Lawton Chiles Endowment Fund.

29 (s) The Auditor General may conduct a financial audit  
30 of the accounts and records of the corporation.

31 (3) POWERS OF THE DEPARTMENT.--

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           (a) The department is authorized, on behalf of the  
2 state, to do all things necessary or desirable to assist the  
3 corporation in the execution of its responsibilities, and may:

4           1. Enter into one or more purchase agreements, which  
5 may not take effect until ratified by law, to sell to the  
6 corporation any or all of the state's right, title, and  
7 interest in and to the tobacco settlement agreement;

8           2. Enter any administrative agreements with the  
9 corporation, which may not take effect until ratified by law,  
10 to fund the administration, operation, and expenses of the  
11 corporation from moneys appropriated for such purpose; and

12           3. Execute and deliver any and all other documents and  
13 agreements, which may not take effect until ratified by law,  
14 necessary or desirable in connection with the sale of any or  
15 all of the state's right, title, and interest in and to the  
16 tobacco settlement agreement to the corporation or the  
17 issuance of the bonds by the corporation.

18           (b) The state covenants with the holders of bonds of  
19 the corporation that the state will not limit or alter the  
20 authority or the rights under this section vested in the  
21 department to fulfill the terms of any agreements, including  
22 the terms of any purchase agreement, or in any way impair the  
23 rights and remedies of such bondholders as long as any such  
24 bonds remain outstanding, unless adequate provision has been  
25 made for the payment of such bonds pursuant to the documents  
26 authorizing such bonds.

27           (c) Subject to the prior legislative approval set  
28 forth in paragraph (2)(e), the department is authorized, on  
29 behalf of the state, to make any covenant, representation, or  
30 warranty necessary or desirable in connection with the sale of  
31 any or all of the state's right, title, and interest in and to

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 the tobacco settlement agreement to the corporation or the  
2 issuance of the bonds by the corporation.

3 Section 5. If any provision of this act or its  
4 application to any person or circumstance is held invalid, the  
5 invalidity does not affect other provisions or applications of  
6 the act which can be given effect without the invalid  
7 provision or application, and to this end the provisions of  
8 this act are severable.

9 Section 6. Subsection (2) of section 210.05, Florida  
10 Statutes, is amended to read:

11 210.05 Preparation and sale of stamps; discount.--

12 (2) The division shall prescribe, prepare, and furnish  
13 stamps of such denominations and quantities as may be  
14 necessary for the payment of the tax imposed by this part, and  
15 may from time to time and as often as it deems advisable  
16 provide for the issuance and exclusive use of stamps of a new  
17 design and forbid the use of stamps of any other design.  
18 However, all stamps prescribed by the division must be  
19 designed and furnished in a fashion that permits  
20 identification of the agent or wholesale dealer that affixed  
21 the stamp to the particular package of cigarettes by means of  
22 a serial number or other mark on the stamp.The division shall  
23 make provisions for the sale of such stamps at such places and  
24 at such time as it may deem necessary.

25 Section 7. Section 210.185, Florida Statutes, is  
26 created to read:

27 210.185 Prohibition on sale or distribution of  
28 cigarettes; criminal penalties; administrative sanctions;  
29 applicability.--

30 (1) PROHIBITIONS.--It is unlawful for any person:

31 (a) To sell or distribute in this state; to acquire,

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

- 1 hold, own, possess, or transport, for sale or distribution in  
2 this state; or to import, or cause to be imported, into this  
3 state for sale or distribution in this state:
- 4 1. Any cigarettes the package of which:
- 5 a. Bears any statement, label, stamp, sticker, or  
6 notice indicating that the manufacturer did not intend the  
7 cigarettes to be sold, distributed, or used in the United  
8 States, including but not limited to labels stating "For  
9 Export Only," "U.S. Tax-Exempt," "For Use Outside U.S.," or  
10 similar wording; or
- 11 b. Does not comply with:
- 12 (I) All requirements imposed by or under federal law  
13 regarding warnings and other information on packages of  
14 cigarettes manufactured, packaged, or imported for sale,  
15 distribution, or use in the United States, including but not  
16 limited to the precise warning labels specified in the Federal  
17 Cigarette Labeling and Advertising Act, 15 U.S.C. 1333; and
- 18 (II) All federal trademark and copyright laws;
- 19 2. Any cigarettes imported into the United States in  
20 violation of 26 U.S.C. 5754 or any other federal law, or  
21 implementing federal regulations;
- 22 3. Any cigarettes that a person otherwise knows or has  
23 reason to know the manufacturer did not intend to be sold,  
24 distributed, or used in the United States; or
- 25 4. Any cigarettes for which there has not been  
26 submitted to the Secretary of the U.S. Department of Health  
27 and Human Services the list or lists of the ingredients added  
28 to tobacco in the manufacture of those cigarettes required by  
29 the Federal Cigarette Labeling and Advertising Act, 15 U.S.C.  
30 1335a;
- 31 (b) To alter the package of any cigarettes, before

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 sale or distribution to the ultimate consumer, so as to  
2 remove, conceal, or obscure any statement, label, stamp,  
3 sticker, or notice described in sub-subparagraph (a)1.a. or  
4 any health warning that is not specified in or does not  
5 conform with the requirements of the Federal Cigarette  
6 Labeling and Advertising Act, 15 U.S.C. 1333;

7 (c) To affix any stamp required under this part to the  
8 package of any cigarettes described in paragraph (a) or  
9 altered in violation of paragraph (b).

10 (2) DOCUMENTATION.--On or before the tenth day of each  
11 month, each person permitted to affix the tax stamp to  
12 cigarettes shall file with the division, for all cigarettes  
13 imported into the United States to which the person has  
14 affixed the tax stamp in the preceding month, a copy of the  
15 permit issued under the Internal Revenue Code, 26 U.S.C. 5713,  
16 to the person importing the cigarettes into the United States  
17 which allows that person to import those cigarettes; a copy of  
18 the customs form containing, with respect to the cigarettes,  
19 the internal revenue tax information required by the U.S.  
20 Bureau of Alcohol, Tobacco and Firearms; and a statement,  
21 signed by an officer of the manufacturer or importer under  
22 penalty of perjury, certifying that the manufacturer or  
23 importer has complied with the package health warning and  
24 ingredient reporting requirements of the Federal Cigarette  
25 Labeling and Advertising Act, 15 U.S.C. 1333 and 1335a, with  
26 respect to those cigarettes.

27 (3) CRIMINAL PENALTIES.--Any person who violates  
28 subsection (1), either knowing or having reason to know he or  
29 she is doing so, or who fails to comply with subsection (2),  
30 commits a felony of the third degree, punishable as provided  
31 in s. 775.082, s. 775.083, or s. 775.084.



Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           (4) ADMINISTRATIVE SANCTIONS.--

2           (a) The division may revoke or suspend the permit of  
3 any distributing agent or wholesale dealer, or the retail  
4 tobacco dealer permit of any retailer, and impose on the  
5 permittee a civil penalty, in an amount not to exceed the  
6 greater of 500 percent of the retail value of the cigarettes  
7 involved or \$5,000, upon finding a violation of this section  
8 or any implementing rule adopted by the division.

9           (b) Cigarettes that are acquired, held, owned,  
10 possessed, transported in, imported into, or sold or  
11 distributed in this state in violation of this section are  
12 considered contraband and are subject to seizure and  
13 forfeiture under this part. Any cigarettes so seized and  
14 forfeited shall be destroyed. The cigarettes are considered  
15 contraband whether the violation of this section is knowing or  
16 otherwise.

17           (5) UNFAIR TRADE PRACTICES.--A violation of subsection  
18 (1) or subsection (2) constitutes an unlawful trade practice  
19 under part II of chapter 501 and, in addition to any remedies  
20 or penalties set forth in this section is subject to any  
21 remedies or penalties available for a violation of that part.

22           (6) GENERAL PROVISIONS.--

23           (a) The division shall enforce this section. However,  
24 at the request of the division, any law enforcement agency  
25 shall enforce this section.

26           (b) For the purpose of enforcing this act, the  
27 division and any agency to which the division has delegated  
28 enforcement responsibility may request information from any  
29 state or local agency, and may share information with, and  
30 request information from, any federal agency or any agency of  
31 any other state or any local agency thereof.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           (c) In addition to any other remedy provided by law,  
2 including enforcement as provided in paragraph (a), any person  
3 may bring an action for appropriate injunctive or other  
4 equitable relief for a violation of this section; for actual  
5 damages, if any, sustained by reason of the violation; and, as  
6 determined by the court, for interest on the damages from the  
7 date of the complaint, taxable costs, and reasonable  
8 attorney's fees. If the trier of fact finds that the violation  
9 is flagrant, it may increase recovery to an amount not in  
10 excess of 3 times the actual damages sustained by reason of  
11 the violation.

12           (7) DEFINITIONS.--As used in this section, the term:

13           (a) "Cigarette" means:

14           1. Any roll of tobacco wrapped in paper or tobacco  
15 leaf or in any substance not containing tobacco, including a  
16 bidi, kretek, or other similar product, which is to be burned;

17           2. Any roll of tobacco wrapped in any substance  
18 containing tobacco, including a bidi, kretek, or other similar  
19 product, which, because of its appearance, the type of  
20 tobacco used in the filler, or its packaging or labeling is  
21 likely to be offered to or purchased by consumers as a  
22 cigarette described in subparagraph 1.; or

23           3. Loose rolling tobacco that, because of its  
24 appearance, type, packaging, or labeling, is likely to be  
25 offered to or purchased by consumers as tobacco for making  
26 cigarettes.

27           (b) "Importer" means "importer" as that term is  
28 defined in 26 U.S.C. 5702(1).

29           (c) "Package" means "package" as that term is defined  
30 in 15 U.S.C. 1332(4).

31           (8) APPLICABILITY.--

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           (a) This section does not apply to cigarettes allowed  
2 to be imported or brought into the United States for personal  
3 use and cigarettes sold or intended to be sold as duty-free  
4 merchandise by a duty-free sales enterprise in accordance with  
5 19 U.S.C. 1555(b) and any implementing regulations, but this  
6 section does apply to any such cigarettes that are brought  
7 back into the customs territory for resale within the customs  
8 territory.

9           (b) The penalties provided in this section are in  
10 addition to any penalties imposed under any other law.

11           Section 8. Section 210.19, Florida Statutes, is  
12 amended to read:

13           210.19 Records to be kept by division.--The division  
14 shall keep records showing the total amount of taxes  
15 collected, which records shall be open to the public during  
16 the regular office hours of the division. The division shall  
17 maintain records that identify which agent or wholesale dealer  
18 affixed the tax stamp to each package of cigarettes. The  
19 identifying records must be made available for public  
20 inspection and retained for at least 3 years.

21           Section 9. If any provision of this act or the  
22 application thereof to any person or circumstance is held  
23 invalid, the invalidity does not affect other provisions or  
24 applications of the act which can be given effect without the  
25 invalid provision or application, and to this end the  
26 provisions of this act are declared severable.

27           Section 10. Section 768.733, Florida Statutes, is  
28 created to read:

29           768.733 Punitive damages and bonds in class actions;  
30 limitations.--

31           (1) In any civil action that is brought as a certified

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 class action, the court may not enter a judgment for punitive  
2 damages against a defendant in an amount that, if fully  
3 executed upon, would financially destroy or bankrupt the  
4 defendant.

5 (2) In any civil action that is brought as a certified  
6 class action, the trial court, upon the posting of a bond or  
7 equivalent surety as provided in this section, shall stay the  
8 execution of any judgment, or portion thereof, entered on  
9 account of punitive damages pending completion of any  
10 appellate review of the judgment.

11 (3) The required bond or equivalent surety acceptable  
12 to the court for imposition of the stay shall be the lower of:

13 (a) The amount of the punitive-damages judgment, plus  
14 twice the statutory rate of interest; or

15 (b) Ten percent of the net worth of the defendant as  
16 determined by applying generally accepted accounting  
17 principles to the defendant's financial status as of December  
18 31 of the year prior to the judgment for punitive damages.

19  
20 Provided that in no case shall the amount of the required bond  
21 or equivalent surety exceed \$100 million, regardless of the  
22 amount of punitive damages.

23 (4) If, at any time after notice and hearing, the  
24 court finds that a defendant who has posted a bond or  
25 equivalent surety pursuant to subsection (3) is purposefully  
26 moving assets with the intent to avoid the punitive-damages  
27 judgment, the court shall increase the bond or equivalent  
28 surety to the amount determined pursuant to paragraph (3)(a).  
29 If the defendant does not post the additional bond required by  
30 the court, the stay shall be revoked.

31 Section 11. This act applies to all cases pending on

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 the effective date of this act in which an award for punitive  
2 damages has not been finally reduced to judgment through trial  
3 and subsequent appeals and to all cases commenced on or after  
4 the effective date of this act.

5 Section 12. (1) The Task Force on  
6 Tobacco-Settlement-Revenue Protection is created to determine  
7 the need for and evaluate methods for protecting the state's  
8 tobacco settlement revenue from significant loss. The task  
9 force shall, at a minimum, study and make a determination of:

10 (a) The degree of risk posed to the amount of  
11 tobacco-settlement revenue as a consequence of a decline in  
12 domestic tobacco sales.

13 (b) The degree of risk posed to the tobacco-settlement  
14 revenue by potential dissolution or restructure of the tobacco  
15 companies that were defendants in the state's suit.

16 (c) The necessity and advisability of taking action to  
17 protect the asset value of the tobacco settlement.

18 (d) The options available for protecting the asset  
19 value of tobacco-settlement revenues, including  
20 securitization, insurance, self-insurance, or a combination of  
21 these options.

22 (2) The task force shall submit a report to the  
23 Legislature by February 1, 2001. The report shall include  
24 findings and results of the task force's studies and  
25 determinations and any specific recommendations including  
26 recommendations for legislative revisions to address the  
27 issues and meet the needs identified under paragraphs (a)-(d)  
28 of subsection (1). The task force shall continue to serve for  
29 the purpose of providing assistance to the Legislature as  
30 needed to review legislative efforts to implement any of the  
31 task force's recommendations.

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

- 1           (3) The task force is to be composed of:  
2           (a) The Governor, who shall serve as chair of the task  
3 force;  
4           (b) The Comptroller;  
5           (c) The Insurance Commissioner;  
6           (d) Three members of the Senate, who shall be  
7 appointed by the President of the Senate; and  
8           (e) Three members of the House of Representatives, who  
9 shall be appointed by the Speaker of the House of  
10 Representatives.  
11           (4) The task force may conduct research, hold public  
12 hearings, receive testimony, employ consultants, and undertake  
13 other activities determined by its members to be necessary.  
14           (5) Each task force member may designate a designee as  
15 an ex-officio nonvoting member.  
16           (6) All official actions by the task force shall be by  
17 a majority vote of the membership designated in subsection  
18 (3).  
19           (7) Staff support for the task force shall be provided  
20 by the State Board of Administration.  
21           (8) The term of the task force shall expire on July 1,  
22 2001.  
23           Section 13. For the 2000-2001 fiscal year, the  
24 nonrecurring sum of \$100,000 from tobacco-settlement revenues  
25 is appropriated to the State Board of Administration to  
26 support operation of the task force.  
27           Section 14. (1) In order to assist Florida tobacco  
28 farmers in reducing encumbered debt on stranded investment in  
29 equipment, the nonrecurring sum of \$5 million is appropriated  
30 from the General Revenue Fund to the Department of Agriculture  
31 and Consumer Services for the purchase at fair market value of

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 equipment associated with agricultural production of tobacco  
2 from persons or entities that:

3 (a) Were using such equipment for production of  
4 tobacco between April 1 and October 1, 2000, on land within  
5 this state; and

6 (b) Sign a binding agreement with the department to  
7 cease production of tobacco in this state within 12 months  
8 after execution of the agreement.

9 The department may adopt rules that, at a minimum, define and  
10 describe the equipment to be purchased under this section,  
11 prescribe criteria for identifying persons and entities who  
12 are eligible to have such equipment purchased by the  
13 department, and prescribe procedures to be followed for  
14 equipment purchases. From the funds appropriated by this  
15 section, the department is authorized to expend such sums as  
16 are reasonable and necessary to administer the program.

17 (2) Equipment purchased by the Department of  
18 Agriculture and Consumer Services under this section may be  
19 resold by the Department of Management Services. However, no  
20 such equipment may be sold, leased, or conveyed to or for use  
21 by a person or entity who produces tobacco in this state or  
22 holds a quota for production of tobacco in this state. The  
23 Department of Management Services shall deposit proceeds of  
24 such sale, less reasonable administrative costs, in the  
25 General Inspections Trust Fund of the Department of  
26 Agriculture and Consumer Services.

27 (3) The Department of Agriculture and Consumer  
28 Services may use proceeds from the resale of equipment  
29 purchased under this section to continue purchasing equipment  
30 and to assist tobacco producers to seek out, experiment with,  
31 and develop diverse profitable enterprises and retain

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 ownership of their land so that their farms can remain  
2 productive agricultural entities and provide ancillary  
3 environmental benefits.

4 Section 15. This act shall take effect October 1,  
5 2000.

6  
7

8 ===== T I T L E A M E N D M E N T =====

9 And the title is amended as follows:

10 Delete everything before the enacting clause

11  
12

and insert:

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

A bill to be entitled  
An act relating to tobacco; amending s.  
215.5601, F.S.; defining the term  
"participating manufacturer"; revising  
legislative intent; specifying procedures by  
which a tobacco manufacturer may become a  
participating manufacturer; providing for  
signatories to a specified settlement agreement  
to be participating manufacturers; providing  
for funds received from participating  
manufacturers to be deposited into the Tobacco  
Settlement Clearing Trust Fund; providing for a  
portion of unappropriated funds to be deposited  
into the Lawton Chiles Endowment Fund; amending  
s. 210.02, F.S.; imposing a surtax on  
cigarettes not manufactured by a participating  
manufacturer, as defined by the act; providing  
for calculating the amount of the surtax;  
amending s. 210.20, F.S.; providing for the



Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1 deposit of proceeds of the surtax; creating s.  
2 215.5603, F.S.; creating the Tobacco Settlement  
3 Financing Corporation; defining terms;  
4 providing membership, powers, duties, and  
5 functions of the corporation; providing for the  
6 purchase of insurance and for the issuance of  
7 bonds; providing a limitation on liability;  
8 providing powers of the Department of Banking  
9 and Finance with respect to the corporation;  
10 providing for severability; amending s. 210.05,  
11 F.S.; requiring the Division of Alcoholic  
12 Beverages and Tobacco to design cigarette tax  
13 stamps that will permit identification of the  
14 agent or wholesale dealer that affixes the  
15 stamp; creating s. 210.185, F.S.; prohibiting  
16 the sale and distribution of certain cigarettes  
17 not intended for sale or distribution in this  
18 country; providing for criminal penalties,  
19 administrative sanctions, and unfair trade  
20 practices; providing for enforcement by the  
21 Division of Alcoholic Beverages and Tobacco;  
22 amending s. 210.19, F.S.; requiring the  
23 division to maintain specified records;  
24 creating s. 768.733, F.S.; prescribing the  
25 amount of bond or equivalent surety required to  
26 stay the execution of punitive-damages  
27 judgments in class-action suits, pending  
28 appellate review; providing for application of  
29 the act to certain pending cases; providing for  
30 a Task Force on Tobacco-Settlement-Revenue  
31 Protection; providing for membership and

Bill No. CS/HB 1721, 1st Eng.

Amendment No. \_\_\_\_

1           duties; providing for staff; providing for  
2           expiration of the task force; providing an  
3           appropriation; providing funds to purchase  
4           stranded tobacco farming equipment; providing  
5           for resale of purchased equipment with  
6           restrictions; providing for use of proceeds  
7           from resale of equipment; providing an  
8           effective date.  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31