

1  
2 An act relating to tobacco; creating s.  
3 215.56005, F.S.; providing definitions;  
4 creating the Tobacco Settlement Financing  
5 Corporation; providing purposes; providing for  
6 a governing board of directors; providing for  
7 membership; providing powers of the  
8 corporation; authorizing the corporation to  
9 enter into certain purchase agreements with the  
10 Department of Banking and Finance for certain  
11 purposes; authorizing the corporation to issue  
12 bonds for certain purposes; providing  
13 requirements, limitations, and procedures for  
14 issuing such bonds; providing application;  
15 providing limitations; limiting liability of  
16 the corporation; exempting the corporation from  
17 taxation; providing for continued existence of  
18 the corporation; authorizing the Auditor  
19 General to conduct financial audits of the  
20 corporation; providing severability; specifying  
21 powers of the Department of Banking and  
22 Finance; amending s. 17.41, F.S.; revising  
23 provisions relating to deposit into and  
24 disbursement of moneys from the Tobacco  
25 Settlement Clearing Trust Fund; authorizing  
26 sale of the state's right, title, and interest  
27 in the tobacco settlement agreement to the  
28 corporation; providing for payment of certain  
29 moneys into the Tobacco Settlement Clearing  
30 Trust Fund; providing for deposit of net  
31 proceeds of the sale of the tobacco settlement

1 agreement into the Lawton Chiles Endowment  
2 Fund; amending s. 215.5601, F.S.; providing for  
3 additional funding of the Lawton Chiles  
4 Endowment Fund; revising provisions relating to  
5 transfer of endowment moneys; clarifying  
6 administration of the endowment; providing for  
7 receipt by the endowment of minimum amounts in  
8 certain fiscal years; creating s. 768.733,  
9 F.S.; prescribing the amount of bond or  
10 equivalent surety required to stay the  
11 execution of punitive-damages judgments in  
12 class-action suits, pending appellate review;  
13 providing for application of the act to certain  
14 pending cases; providing for a Task Force on  
15 Tobacco-Settlement-Revenue Protection;  
16 providing for membership and duties, including  
17 reports to the Legislature; providing for  
18 staff; providing for expiration of the task  
19 force; providing funds to purchase stranded  
20 tobacco farming equipment; providing for resale  
21 of purchased equipment with restrictions;  
22 providing for use of proceeds from resale of  
23 equipment; providing appropriations; providing  
24 an effective date.

25

26 Be It Enacted by the Legislature of the State of Florida:

27

28 Section 1. Section 215.56005, Florida Statutes, is  
29 created to read:

30

215.56005 Tobacco Settlement Financing Corporation.--

31

(1) DEFINITIONS.--As used in this section:

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

4           (b) "Corporation" means the Tobacco Settlement  
5 Financing Corporation created by this section.

6           (c) "Department" means the Department of Banking and  
7 Finance or its successor.

8           (d) "Purchase agreement" means a contract between the  
9 corporation and the State of Florida, acting by and through  
10 the department, in which the State of Florida sells to the  
11 corporation any or all of the state's right, title, and  
12 interest in and to the tobacco settlement agreement,  
13 including, but not limited to, the moneys to be received  
14 thereunder.

15           (e) "State" means the State of Florida.

16           (f) "Tobacco settlement agreement" means the  
17 settlement agreement, as amended, entered into by the state  
18 and participating cigarette manufacturers in settlement of  
19 State of Florida v. American Tobacco Co., No. 95-1466AH (Fla.  
20 15th Cir. Ct. 1996).

21           (2)(a) CORPORATION CREATION AND AUTHORITY.--The  
22 Tobacco Settlement Financing Corporation is hereby created as  
23 a special purpose, not-for-profit, public benefits  
24 corporation, for the purpose of purchasing any or all of the  
25 state's right, title, and interest in and to the tobacco  
26 settlement agreement and issuing bonds to pay the purchase  
27 price therefor which shall be used to provide funding for the  
28 Lawton Chiles Endowment Fund. The corporation is authorized  
29 to purchase any or all of the state's right, title, and  
30 interest in and to the tobacco settlement agreement and to  
31 issue bonds to pay the purchase price therefor. The proceeds

1 derived by the state from the sale of any or all of the  
2 state's right, title, and interest in and to the tobacco  
3 settlement agreement shall be used to fund the Lawton Chiles  
4 Endowment Fund. The fulfillment of the purposes of the  
5 corporation promotes the health, safety, and general welfare  
6 of the people of this state and serves essential governmental  
7 functions and a paramount public purpose.

8 (b) The corporation shall be governed by a board of  
9 directors consisting of the Governor, the Treasurer, the  
10 Comptroller, the Attorney General, two directors appointed  
11 from the membership of the Senate by the President of the  
12 Senate, and two directors appointed from the membership of the  
13 House of Representatives by the Speaker of the House of  
14 Representatives. On January 7, 2003, the board shall include  
15 the Chief Financial Officer or the Chief Financial Officer's  
16 designee, in place of the Treasurer and the Comptroller or  
17 their designees. The executive director of the State Board of  
18 Administration shall be the chief executive officer of the  
19 corporation and shall direct and supervise the administrative  
20 affairs and operation of the corporation. The corporation  
21 shall also have such other officers as may be determined by  
22 the board of directors.

23 (c) The corporation shall have all the powers of a  
24 corporate body under the laws of this state, including, but  
25 not limited to, the powers of corporations under chapter 617,  
26 to the extent not inconsistent with or restricted by the  
27 provisions of this section, including, but not limited to, the  
28 power to:

29 1. Adopt, amend, and repeal bylaws not inconsistent  
30 with this section.

31 2. Sue and be sued.

1           3. Adopt and use a common seal.

2           4. Acquire, purchase, hold, lease, and convey real and  
3 personal property, contract rights, general intangibles,  
4 revenues, moneys, and accounts as may be proper or expedient  
5 to carry out the purposes of the corporation and this section,  
6 and to assign, convey, sell, transfer, lease, or otherwise  
7 dispose of such property.

8           5. Elect or appoint and employ such officers, agents,  
9 and employees as the corporation deems advisable to operate  
10 and manage the affairs of the corporation, which officers,  
11 agents, and employees may be employees of this state or of the  
12 state officers and agencies represented on the board of  
13 directors of the corporation.

14           6. Make and execute any and all contracts, trust  
15 agreements, trust indentures, and other instruments and  
16 agreements necessary or convenient to accomplish the purposes  
17 of the corporation and this section, including but not limited  
18 to investment contracts, swap agreements, or liquidity  
19 facilities.

20           7. Select, retain, and employ professionals,  
21 contractors, or agents, which may include the Division of Bond  
22 Finance of the State Board of Administration, as necessary or  
23 convenient to enable or assist the corporation in carrying out  
24 the purposes of the corporation.

25           8. Do any act or thing necessary or convenient to  
26 carry out the purposes of the corporation subject to approval  
27 of the Legislature where required in this section.

28           (d) The corporation is authorized to enter into one or  
29 more purchase agreements with the department pursuant to which  
30 the corporation purchases any or all of the state's right,  
31 title, and interest in and to the tobacco settlement agreement

1 and to execute and deliver any other documents necessary or  
2 desirable to effectuate such purchase. Sale of all or part of  
3 the state's right, title, and interest in and to the tobacco  
4 settlement agreement is subject to approval by the Legislature  
5 in a regular, extended, or special session. The tobacco  
6 settlement agreement moneys received pursuant to the purchase  
7 agreements may be used for the costs and expenses of  
8 administration of the corporation.

9 (e)1. The corporation may issue bonds payable from and  
10 secured by amounts payable to the corporation pursuant to the  
11 tobacco settlement agreement. Issuance of bonds by the  
12 corporation is subject to approval by the Legislature in a  
13 regular, extended, or special session. In addition, the  
14 corporation is authorized to issue bonds to refund previously  
15 issued bonds and to deposit the proceeds of such bonds as  
16 provided in the documents authorizing the issuance of such  
17 bonds. The corporation is authorized to do all things  
18 necessary or desirable in connection with the issuance of the  
19 bonds, including, but not limited to, establishing debt  
20 service reserves or other additional security for the bonds,  
21 providing for capitalized interest, and executing and  
22 delivering any and all documents and agreements. The total  
23 principal amount of bonds issued by the corporation shall not  
24 exceed \$3.0 billion. The principal amount of bonds issued in  
25 any single fiscal year shall not exceed \$1.5 billion,  
26 beginning with the 2000-2001 fiscal year. The limitation on  
27 the principal amount of bonds issued by the corporation shall  
28 not apply to bonds issued to refund previously issued bonds.  
29 No series of bonds issued shall have a true interest cost rate  
30 of more than 4 percent over the yield on U.S. Treasury  
31 obligations which have a maturity approximately equal to the

1 average life of such series of bonds. Satisfaction of the  
2 foregoing interest rate limitation shall be determined on the  
3 date such bonds are sold or a definitive agreement to sell  
4 such bonds at specified prices or yields is executed and  
5 delivered. The corporation may sell bonds through competitive  
6 bidding or negotiated contracts, whichever method of sale is  
7 determined by the corporation to be in the best interest of  
8 the corporation.

9 2. The corporation does not have the power to pledge  
10 the credit, the general revenues, or the taxing power of the  
11 state or of any political subdivision of the state. The  
12 obligations of the department and the corporation under the  
13 purchase agreement and under any bonds shall not constitute a  
14 general obligation of the state or a pledge of the faith and  
15 credit or taxing power of the state. The bonds shall be  
16 payable from and secured by payments received under the  
17 tobacco settlement agreement and neither the state nor any of  
18 its agencies shall have any liability on such bonds. Such  
19 bonds shall not be construed in any manner as an obligation of  
20 the state or any agency of the state, the department, the  
21 State Board of Administration or entities for which the State  
22 Board of Administration invests funds, or board members or  
23 their respective agencies. The corporation shall not be  
24 authorized to expend moneys for payment of debt service on  
25 bonds from any source other than revenues received under the  
26 tobacco settlement agreement or reserves, funds, or accounts  
27 established pursuant to documents authorizing the issuance of  
28 such bonds.

29 3. The corporation may validate any bonds issued  
30 pursuant to this paragraph and the security for payment for  
31 such bonds, as provided in chapter 75. The validation

1 complaint shall be filed only in the circuit court for Leon  
2 County. The notice required under s. 75.06 shall be published  
3 in Leon County and the complaint and order of the circuit  
4 court shall be served only on the State Attorney for the  
5 Second Judicial Circuit. The provisions of ss. 75.04(2) and  
6 75.06(2) shall not apply to a validation complaint filed as  
7 authorized in this paragraph. The validation of the first  
8 bonds issued pursuant to this paragraph may be appealed to the  
9 Supreme Court and such appeal shall be handled on an expedited  
10 basis.

11 4. The state hereby covenants with the holders of  
12 bonds of the corporation that the state will not limit or  
13 alter the authority or the rights under this section vested in  
14 the corporation to fulfill the terms of any agreement,  
15 including the terms of any purchase agreement, or in any way  
16 impair the rights and remedies of such bondholders until at  
17 least one year and one day after which no such bonds remain  
18 outstanding unless adequate provision has been made for the  
19 payment of such bonds pursuant to the documents authorizing  
20 such bonds.

21 5. The corporation shall not take any action which  
22 will materially and adversely affect the rights of holders of  
23 any bonds issued under this paragraph as long as such bonds  
24 are outstanding.

25 6. Until at least one year and one day after which no  
26 bonds of the corporation remain outstanding, the corporation  
27 shall not have the authority to file a voluntary petition  
28 under chapter 9 of the federal Bankruptcy Code or such  
29 corresponding chapter or sections as may be in effect, from  
30 time to time, and neither any public officer nor any  
31 organization, entity, or other person shall authorize the



1 corporation to be or become a debtor under chapter 9 of the  
2 federal Bankruptcy Code or such corresponding chapter or  
3 sections as may be in effect, from time to time, during any  
4 such period. The state hereby covenants with the holders of  
5 bonds of the corporation that the state will not limit or  
6 alter the denial of authority to file bankruptcy under this  
7 paragraph until at least one year and one day after which no  
8 bonds of the corporation remain outstanding.

9 7. The corporation may contract with the State Board  
10 of Administration to serve as trustee with respect to bonds  
11 issued by the corporation as provided by this paragraph and to  
12 hold, administer, and invest proceeds of such bonds and other  
13 funds of the corporation and to perform other services  
14 required by the corporation. The State Board of  
15 Administration may perform such services and may contract with  
16 others to provide all or a part of such services and to  
17 recover the costs and expenses of providing such services.

18 (f) Notwithstanding any other provision of law, any  
19 pledge of or other security interest in revenues, moneys,  
20 accounts, contract rights, general intangibles, or other  
21 personal property made or created by the corporation or  
22 department resulting from the authority of this section shall  
23 be valid, binding, and perfected from the time such pledge is  
24 made or other security interest attaches without any physical  
25 delivery of the collateral or further act, and the lien of any  
26 such pledge or other security interest shall be valid,  
27 binding, and perfected against all parties having claims of  
28 any kind in tort, contract, or otherwise against the  
29 corporation irrespective of whether such parties have notice  
30 of such claims. No instrument by which such a pledge or  
31

1 security interest is created or any financing statement need  
2 be recorded or filed.

3 (g) The corporation shall not be deemed to be a  
4 special district for purposes of chapter 189 or a unit of  
5 local government for purposes of part III of chapter 218. The  
6 provisions of chapter 120, part I of chapter 287, and ss.  
7 215.57-215.83 shall not apply to this section, the corporation  
8 created in this section, the purchase agreements entered into  
9 pursuant to this section, or bonds issued by the corporation  
10 as provided in this section, except that underwriters,  
11 financial advisors, and legal counsel shall be selected in a  
12 manner consistent with the rules adopted pursuant to the State  
13 Bond Act for the selection of service providers and  
14 underwriters.

15 (h) In no event shall any of the benefits or earnings  
16 of the corporation inure to the benefit of any private person.

17 (i) Unless such officer, employee, or agent acted  
18 outside the course and scope of his or her employment or acted  
19 in bad faith or with malicious purpose or in a manner  
20 exhibiting wanton and willful disregard of human rights,  
21 safety, or property, there shall be no liability on the part  
22 of, and no cause of action shall arise against, any board  
23 member of the corporation or any employee of the corporation  
24 or the state for any actions taken by such board member or  
25 employee in the performance of his or her duties under this  
26 section.

27 (j) The corporation is exempt from taxation and  
28 assessments of any nature whatsoever upon the income of the  
29 corporation and any property, assets, or revenues acquired,  
30 received, or used in the furtherance of the purposes provided  
31 in this section.

1           (k) The corporation and its corporate existence shall  
2 continue until terminated by law; however, no such law shall  
3 take effect until at least one year and one day after which no  
4 bonds of the corporation remain outstanding unless adequate  
5 provision has been made for the payment of such bonds pursuant  
6 to the documents authorizing the issuance of such bonds. Upon  
7 termination of the existence of the corporation, all rights  
8 and properties of the corporation in excess of obligations of  
9 the corporation shall pass to and be vested in the Lawton  
10 Chiles Endowment Fund.

11           (l) The Auditor General may conduct financial audits  
12 of the accounts and records of the corporation.

13           (m) If any provision of this section or its  
14 application to any person or circumstance is held invalid, the  
15 invalidity shall not affect other provisions or applications  
16 of this section which can be given effect without the invalid  
17 provision or application, and under such circumstances the  
18 provisions of this section are declared severable.

19           (3) POWERS OF THE DEPARTMENT.--

20           (a) The department is authorized, on behalf of the  
21 state, to do all things necessary or desirable to assist the  
22 corporation in the execution of the corporation's  
23 responsibilities, including, but not limited to, processing  
24 budget amendments against the Department of Banking and  
25 Finance Tobacco Settlement Clearing Trust Fund, subject to the  
26 requirements of s. 216.177, for the costs and expenses of  
27 administration of the corporation in an amount not to exceed  
28 \$500,000; entering into one or more purchase agreements to  
29 sell to the corporation any or all of the state's right,  
30 title, and interest in and to the tobacco settlement  
31 agreement; executing any administrative agreements with the

1 corporation to fund the administration, operation, and  
2 expenses of the corporation from moneys appropriated for such  
3 purpose; and executing and delivering any and all other  
4 documents and agreements necessary or desirable in connection  
5 with the sale of any or all of the state's right, title, and  
6 interest in and to the tobacco settlement agreement to the  
7 corporation or the issuance of the bonds by the corporation.  
8 The department's authority to sell any or all of the state's  
9 right, title, and interest in and to the tobacco settlement  
10 agreement is subject to approval by the Legislature in a  
11 regular, extended, or special session.

12 (b) The state hereby covenants with the holders of  
13 bonds of the corporation that the state will not limit or  
14 alter the authority or the rights under this section vested in  
15 the department to fulfill the terms of any agreement,  
16 including the terms of any purchase agreement, or in any way  
17 impair the rights and remedies of such bondholders until at  
18 least one year and one day after which no such bonds remain  
19 outstanding unless adequate provision has been made for the  
20 payment of such bonds pursuant to the documents authorizing  
21 such bonds.

22 (c) The department is authorized, on behalf of the  
23 state, to make any covenant, representation, or warranty  
24 necessary or desirable in connection with the sale of any or  
25 all of the state's right, title, and interest in and to the  
26 tobacco settlement agreement to the corporation or the  
27 issuance of the bonds by the corporation. Such covenants may  
28 specifically include a covenant to take whatever actions are  
29 necessary on behalf of the corporation or holders of the bonds  
30 issued by the corporation to enforce the provisions of the

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1 tobacco settlement agreement, and any rights and remedies  
2 thereunder.

3 Section 2. Section 17.41, Florida Statutes, is amended  
4 to read:

5 17.41 Department of Banking and Finance Tobacco  
6 Settlement Clearing Trust Fund.--

7 (1) The Department of Banking and Finance Tobacco  
8 Settlement Clearing Trust Fund is created within that  
9 department.

10 (2) Funds to be credited to the Tobacco Settlement  
11 Clearing Trust Fund shall consist of ~~all annual~~ payments  
12 received by the state from settlement of State of Florida v.  
13 American Tobacco Co., No. 95-1466AH (Fla. 15th Cir. Ct. 1996).  
14 ~~All~~ Moneys received from the settlement and ~~shall be~~ deposited  
15 into the trust fund ~~and~~ are exempt from the service charges  
16 imposed under s. 215.20.

17 (3)(a) Subject to approval of the Legislature, all or  
18 any portion of the state's right, title, and interest in and  
19 to the tobacco settlement agreement may be sold to the Tobacco  
20 Settlement Financing Corporation, created pursuant to s.  
21 215.56005. Any such sale shall be a true sale and not a  
22 borrowing.

23 (b) Any moneys received by the state pursuant to any  
24 residual interest retained in the tobacco settlement agreement  
25 or the payments to be made under the tobacco settlement  
26 agreement shall be deposited into the Tobacco Settlement  
27 Clearing Trust Fund.

28 (4) Net proceeds of the sale of the tobacco settlement  
29 agreement received by the state shall be immediately deposited  
30 into the Lawton Chiles Endowment Fund, created in s.  
31

1 215.5601(4), without deposit to the Tobacco Settlement  
2 Clearing Trust Fund.

3 ~~(3) The State Board of Administration shall invest and~~  
4 ~~reinvest the moneys in the trust fund in accordance with ss.~~  
5 ~~215.44-215.53. Costs and fees of the State Board of~~  
6 ~~Administration for providing such investment services shall be~~  
7 ~~deducted from the earnings accruing to the trust fund.~~

8 (5)~~(4)~~ The department shall disburse funds, by  
9 nonoperating transfer, from the Tobacco Settlement Clearing  
10 Trust Fund to the tobacco settlement trust funds of the  
11 various agencies in amounts equal to the annual appropriations  
12 made from those agencies'trust funds in the General  
13 Appropriations Act.

14 (6)~~(5)~~ Pursuant to the provisions of s. 19(f)(3), Art.  
15 III of the State Constitution, the Tobacco Settlement Clearing  
16 Trust Fund is exempt from the termination provisions of s.  
17 19(f)(2), Art. III of the State Constitution.

18 Section 3. Paragraphs (a), (b), and (f) of subsection  
19 (4), paragraphs (d) and (e) of subsection (5), and subsection  
20 (7) of section 215.5601, Florida Statutes, are amended to  
21 read:

22 215.5601 Lawton Chiles Endowment Fund.--

23 (4) LAWTON CHILES ENDOWMENT FUND; CREATION; PURPOSES  
24 AND USES.--

25 (a) There is created the Lawton Chiles Endowment Fund,  
26 to be administered by the State Board of Administration. The  
27 endowment shall serve as a clearing trust fund not subject to  
28 termination pursuant to s. 19(f), Art. III of the State  
29 Constitution and shall be funded by settlement moneys received  
30 from the tobacco industry and by moneys received from the sale  
31 of the state's right, title, and interest in and to the

1 tobacco settlement agreement, including the right to receive  
2 payments under such agreement. The endowment fund shall be  
3 exempt from the service charges imposed by s. 215.20.

4 (b) Funds from the endowment shall be transferred  
5 ~~distributed~~ by the board to the Tobacco Settlement Clearing  
6 Trust Fund, created in s. 17.41,~~trust funds of the state~~  
7 ~~agencies~~ in the amounts indicated by reference to the  
8 legislative appropriations for the state agencies, except as  
9 otherwise provided in this section.

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

25 (5) ADMINISTRATION OF THE ENDOWMENT.--

26 (d) No later than August 15 and February 15 of each  
27 year,~~2000~~, the board shall report on the financial status of  
28 the endowment to the Governor, the Speaker of the House of  
29 Representatives, the President of the Senate, the chairs of  
30 the respective appropriations and appropriate substantive  
31 committees of each chamber, and the Revenue Estimating

1 Conference. ~~Thereafter, the board shall make a status report~~  
2 ~~to such persons no later than August 15 and February 15 of~~  
3 ~~each year.~~

4 (e) Accountability for funds from the endowment which  
5 have been appropriated to a state agency ~~and distributed by~~  
6 ~~the board~~ shall reside with the state agency. The board is not  
7 responsible for the proper expenditure or accountability of  
8 funds from the endowment after transfer distribution to the  
9 Tobacco Settlement Clearing Trust Fund ~~a state agency.~~

10 (7) ENDOWMENT PRINCIPAL; ~~APPROPRIATION OF~~  
11 ~~EARNINGS.~~--The endowment shall receive moneys from the sale of  
12 the state's right, title, and interest in and to the tobacco  
13 settlement agreement and from following amounts are  
14 appropriated transferred from the Department of Banking and  
15 Finance Tobacco Settlement Clearing Trust Fund. Amounts to be  
16 transferred from the clearing trust fund shall be in the  
17 following amounts for the following fiscal years to the Lawton  
18 Chiles Endowment Fund for Health and Human Services:

- 19 (a) For fiscal year 1999-2000, \$1.1 billion;  
20 (b) For fiscal year 2000-2001, \$200 million;  
21 (c) For fiscal year 2001-2002, \$200 million; and  
22 (d) For fiscal year 2002-2003, \$200 million.

23 Amounts to be transferred pursuant to paragraphs (b), (c), and  
24 (d) shall be reduced by an amount equal to the lesser of \$200  
25 million or the amount the endowment receives in that fiscal  
26 year pursuant to the sale of the state's right, title, and  
27 interest in and to the tobacco settlement agreement.

28 Section 4. Section 768.733, Florida Statutes, is  
29 created to read:

30 768.733 Bonds in class actions; limitations.--  
31



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

7           (2) The required bond or equivalent surety acceptable  
8 to the court for imposition of the stay shall be the lower of:

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

11           (b) Ten percent of the net worth of the defendant as  
12 determined by applying generally accepted accounting  
13 principles to the defendant's financial status as of December  
14 31 of the year prior to the judgment for punitive damages;

15  
16 provided that in no case shall the amount of the required bond  
17 or equivalent surety exceed \$100 million, regardless of the  
18 amount of punitive damages.

19           (3) If, at any time after notice and hearing, the  
20 court finds that a defendant who has posted a bond or  
21 equivalent surety pursuant to subsection (2) is purposefully  
22 moving assets with the intent to avoid the punitive-damages  
23 judgment, the court shall increase the bond or equivalent  
24 surety to the amount determined pursuant to paragraph (2)(a).  
25 If the defendant does not post the additional bond required by  
26 the court, the stay shall be revoked.

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

1           (a) The degree of risk posed to the amount of  
2 tobacco-settlement revenue as a consequence of a decline in  
3 domestic tobacco sales and increased sale of foreign or  
4 nonsettling manufacturers' products.

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

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

10           (d) The options available for protecting the  
11 noneconomic and economic benefits and asset value of  
12 tobacco-settlement revenues, including, but not limited to,  
13 securitization, insurance, self-insurance, model statute,  
14 licensing of manufacturers, or a combination of these or other  
15 options.

16           (e) The impact on tobacco use of changes in the  
17 noneconomic benefits of the tobacco-settlement agreements,  
18 adoption of the model statute, or agreement.

19           (2) The task force shall submit an initial report to  
20 the President of the Senate and the Speaker of the House of  
21 Representatives by November 1, 2000. The report shall include  
22 findings and results of the task force's studies and  
23 determinations and any specific recommendations, including  
24 recommendations for legislative revisions to address the  
25 issues and meet the needs identified under paragraphs

26 (1)(a)-(e). The task force shall then submit a final report to  
27 the President of the Senate and the Speaker of the House of  
28 Representatives which shall address the final recommendations  
29 of the task force and include specific language for  
30 recommended legislative changes. The task force shall continue  
31 to serve for the purpose of providing assistance to the

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

1 equipment, the nonrecurring sum of \$2.5 million is  
2 appropriated from the Department of Banking and Finance  
3 Tobacco Settlement Clearing Trust Fund to the Department of  
4 Agriculture and Consumer Services for the purchase at fair  
5 market value of equipment associated with agricultural  
6 production of tobacco from persons or entities that were using  
7 such equipment for production of tobacco between April 1 and  
8 October 1, 2000, on land within this state and sign a letter  
9 of intent to cease tobacco production upon the development and  
10 implementation of an alternative crop that would provide the  
11 same net revenue and proportional costs as tobacco. The  
12 department may adopt rules that, at a minimum, define and  
13 describe the equipment to be purchased under this section,  
14 prescribe criteria for identifying persons and entities who  
15 are eligible to have such equipment purchased by the  
16 department, and prescribe procedures to be followed for  
17 equipment purchases. From the funds appropriated by this  
18 section, the department is authorized to expend such sums as  
19 are reasonable and necessary to administer the program.

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

30 (3) The Department of Agriculture and Consumer  
31 Services may use proceeds from the resale of equipment

1 purchased under this section to continue purchasing equipment  
2 and to assist tobacco producers to seek out, experiment with,  
3 and develop diverse profitable enterprises and retain  
4 ownership of their land so that their farms can remain  
5 productive agricultural entities and provide ancillary  
6 environmental benefits.

7           Section 8. The nonrecurring sum of \$2.5 million is  
8 appropriated from the Department of Banking and Finance  
9 Tobacco Settlement Clearing Trust Fund to the Institute of  
10 Food and Agricultural Sciences of the University of Florida to  
11 provide on-farm direct assistance to growers in the  
12 tobacco-producing counties affected by the state's tobacco  
13 litigation.

14           Section 9. This act shall take effect upon becoming a  
15 law.