

105TH CONGRESS
2D SESSION

H. J. RES. 109

Relating to the expenditure of funds by the Federal Government under
National or State tobacco industry settlements.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 1998

Mr. HUTCHINSON (for himself, Mr. BLUNT, Mr. BARTON of Texas, Mr. SESSIONS, Mr. STUMP, Mr. DICKEY, Mr. BONILLA, and Mr. SOLOMON) introduced the following joint resolution; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JOINT RESOLUTION

Relating to the expenditure of funds by the Federal Government under National or State tobacco industry settlements.

Whereas billions of American tax dollars have been spent to provide health care for those suffering from smoking-related illnesses;

Whereas several individual States have entered into settlements with tobacco companies to be reimbursed for State expenditures on health care for smoking-related illnesses;

Whereas on June 20, 1997, a group of State attorneys general, plaintiffs' attorneys, public health advocates, and

representatives of major tobacco companies announced an historic national tobacco industry settlement designed to restructure the tobacco industry and reimburse participating States for their expenditures on smoking-related illnesses;

Whereas the Federal Government will receive a portion of the funds included in any settlement; and

Whereas funds received by the Federal Government from any national tobacco industry settlement should be used to reimburse American taxpayers for past expenditures on tobacco-related health costs: Now, therefore, be it

1 *Resolved by the Senate and House of Representatives*
 2 *of the United States of America in Congress assembled,*

3 **SECTION 1. NEW PROGRAMS.**

4 None of the funds received by the Federal Govern-
 5 ment as a result of Federal legislation implementing any
 6 portion of a national tobacco industry settlement shall be
 7 expended to create or maintain any new Federal programs
 8 or to expand currently existing Federal programs unless
 9 such expenditures are specifically authorized by the terms
 10 of such legislation. None of the funds received by the Fed-
 11 eral government as a result of any individual State settle-
 12 ment shall be expended to create or maintain any new
 13 Federal programs or to expand currently existing Federal
 14 programs.

1 **SEC. 2. USE OF FUNDS.**

2 All funds received by the Federal Government from
3 the Federal legislation implementing any portion of a na-
4 tional tobacco industry settlement, in excess of those spent
5 on programs specifically designated to receive funds by the
6 terms of such legislation, shall be disbursed by the Sec-
7 retary of the Treasury to provide tax relief, restore bor-
8 rowed trust fund accounts, and reduce the national debt
9 as follows:

10 (1) One-third to be invested in marketable Gov-
11 ernment securities and held in a Tax Cut Offset
12 Trust Fund at the Treasury for use as Congress, by
13 law, directs to offset future revenue reductions.

14 (2) Two-thirds to exchange any special issue
15 nonmarketable Government bonds in the Federal
16 Old-Age and Survivors Insurance Trust Fund or the
17 Federal Disability Insurance Trust Fund with mar-
18 ketable Government securities.

19 **SEC. 3. TRUST FUNDS.**

20 (a) FEDERAL OLD-AGE AND SURVIVORS INSURANCE
21 TRUST FUND; FEDERAL DISABILITY INSURANCE TRUST
22 FUND.—When the Federal Old-Age and Survivors Insur-
23 ance Trust Fund or the Federal Disability Insurance
24 Trust Fund no longer holds nonmarketable Government
25 securities, the Secretary of the Treasury shall direct that
26 two-thirds of all funds referred to in section 2, shall be

1 used to exchange any special issue nonmarketable Govern-
2 ment securities with marketable Government securities in
3 the Highway Trust Fund.

4 (b) HIGHWAY TRUST FUND.—When the Highway
5 Trust Fund no longer holds nonmarketable Government
6 securities, then two-thirds of all funds referred to in sec-
7 tion 2 shall be used to exchange any special issue non-
8 marketable Government securities with marketable Gov-
9 ernment securities in other Government trust funds.

10 (c) OTHER TRUST FUNDS.—When all Government
11 trust funds no longer hold nonmarketable Government se-
12 curities, the Secretary of the Treasury shall direct that
13 two-thirds of all funds referred to in section 2 be used
14 for repayment of debt held by the public.

15 **SEC. 4. TREATMENT OF RECEIPTS AND DISBURSEMENTS.**

16 (a) IN GENERAL.—Notwithstanding any other provi-
17 sion of law except the Line Item Veto Act the receipts
18 and disbursements of all funds not to exceed the value
19 of those referred to in section 2—

20 (1) shall not be counted as new budget author-
21 ity, outlays, receipts, or deficit or surplus for pur-
22 poses of—

23 (A) the budget of the United States Gov-
24 ernment as submitted by the President;

1 (B) the congressional budget (including al-
2 locations of budget authority and outlays pro-
3 vided therein); or

4 (C) the Balanced Budget and Emergency
5 Deficit Control Act of 1985; and

6 (2) shall be exempt from any general budget
7 limitation imposed by statute on expenditures and
8 net lending (budget outlays) of the United States
9 Government.

10 (b) SALES.—Upon expenditure from a Government
11 trust fund of any money not counted under subsection (a),
12 the Secretary of the Treasury shall sell a corresponding
13 amount of marketable Government securities from the
14 trust fund and reduce the trust fund balance accordingly.

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