
ASSEMBLY JOINT RESOLUTION NO. 10—COMMITTEE ON
WAYS AND MEANS

(ON BEHALF OF THE STATE TREASURER)

MARCH 24, 2003

Referred to Committee on Constitutional Amendments

SUMMARY—Proposes to amend Nevada Constitution to provide requirements for use of proceeds from certain settlement agreements and civil litigation between State of Nevada and manufacturers of tobacco products and to provide for sale of right to receive those proceeds. (BDR C-300)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Nevada Constitution to provide requirements for the use of the proceeds from certain settlement agreements and civil litigation between the State of Nevada and manufacturers of tobacco products and to provide for the sale of the right to receive those proceeds.

1 RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF
2 NEVADA, JOINTLY, That a new section, designated Section 6, be
3 added to Article 9 of the Nevada Constitution to read as follows:
4 *Sec. 6. 1. At least 40 percent of all the tobacco*
5 *proceeds and any interest or income earned on that portion*
6 *of those proceeds must be used to provide for scholarships*
7 *and loans to benefit residents of the State of Nevada who*
8 *attend:*
9 (a) *Colleges and universities that are operated by the*
10 *State of Nevada; or*
11 (b) *Other accredited, nonprofit, nonsectarian colleges*
12 *and universities that are located within the State of Nevada.*



1 2. *The balance of the tobacco proceeds not expended in*
2 *accordance with subsection 1 and any interest or income*
3 *earned on that portion of those proceeds must be used to*
4 *assist residents of the State of Nevada in obtaining and*
5 *maintaining good health.*

6 3. *The Legislature shall provide by law:*
7 (a) *The criteria and requirements for determining the*
8 *eligibility of a person to receive a scholarship or loan*
9 *described in subsection 1;*

10 (b) *For the creation of one or more trust funds for the*
11 *deposit of the tobacco proceeds; and*

12 (c) *For the investment of money deposited in a trust*
13 *fund created in accordance with paragraph (b).*
14 *Notwithstanding the provisions of Section 9 of Article 8 of*
15 *this Constitution, such money may be invested in a*
16 *company, association or corporation that is not formed for*
17 *educational or charitable purposes.*

18 4. *The Legislature may provide by law for the sale of*
19 *the right of the State of Nevada to receive all or a portion of*
20 *the tobacco proceeds. Any law enacted by the Legislature*
21 *pursuant to this subsection must provide that the net*
22 *amounts received by the State of Nevada from the sale of its*
23 *right to receive the tobacco proceeds will be deposited in the*
24 *same manner and used for the same purposes and in*
25 *the same proportions as are required by this section for the*
26 *portion of the tobacco proceeds so sold and that no more*
27 *than 15 percent of the net amount received from a sale,*
28 *excluding interest, may be expended in any 1 fiscal year.*

29 5. *As used in this section, "tobacco proceeds" means*
30 *any money received by the State of Nevada:*

31 (a) *As part of the comprehensive settlement of*
32 *November 1998 between certain manufacturers of tobacco*
33 *products and state attorneys general; or*

34 (b) *To pay a judgment or settlement on a released claim*
35 *under the settlement described in paragraph (a) brought*
36 *against a manufacturer of tobacco products by this state or*
37 *by a releasing party under that settlement that is located or*
38 *residing in this state.*

