

6828

Sponsor(s): Senators Brown and Swecker

Brief Description: Securitizing a portion of the state's revenue from the tobacco litigation national master settlement agreement.

**SB 6828 - DIGEST**

(DIGEST AS ENACTED)

Declares it to be the public policy of the state and a recognized governmental function to assist in securitizing the revenue stream from the master settlement agreement between the state and tobacco product manufacturers in order to provide a current and reliable source of revenue for the state.

Declares that the purpose of this act is to establish a tobacco settlement authority having the power to purchase certain rights of the state under the master settlement agreement and to issue nonrecourse revenue bonds to pay outstanding obligations of the state in order to make funds available for increased costs of health care, long-term care, and other programs of the state. This act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes thereof.

Declares that the tobacco settlement authority is created and constitutes a public instrumentality and agency of the state, separate and distinct from the state, exercising public and essential governmental functions. The authority is a public body within the meaning of RCW 39.53.010.

Declares that bonds issued under this act shall be issued in the name of the authority. The bonds shall not be obligations of the state of Washington and shall be obligations only of the authority, payable solely from the special fund or funds created by the authority for their payment.

Authorizes the governor to sell and assign to the authority all of the state's right to receive a portion of the state's annual share of the revenue derived from the master settlement agreement for litigation brought by the state against tobacco product manufacturers. The portion of the state's share sold and assigned shall be determined by the governor in an amount necessary to generate net proceeds to the state for deposit to the tobacco securitization trust account under this act up to four hundred fifty million dollars.