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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

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## DIGEST

Present constitution creates the Millennium Trust as a special permanent trust in the state treasury to receive certain monies as a result of the Tobacco Master Settlement Agreement executed November 23, 1998, and approved by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of Louisiana; and all dividend and interest income and all realized capital gains on investment of the monies in the Millennium Trust. Provides for the investment of monies in the Millennium Trust.

Present constitution provides that beginning Fiscal Year 2002-2003, and each fiscal year thereafter, 75% percent of the total monies received that year shall be allocated as follows:

1. Heath Excellence Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the Heath Excellence Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.
2. Education Excellence Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the Education Excellence Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.
3. TOPS Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the TOPS Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the trust.

Proposed constitution provides that beginning Fiscal Year 2011-2012 after the balance in the Millennium Trust reaches a total of \$1.38 billion, the monies received from the Settlement Agreement shall be allocated as follows:

1. Heath Excellence Fund - one-third of all investment earnings on the investment of the trust.
2. Education Excellence Fund - one-third of all investment earnings on the investment of the trust.
3. TOPS Fund - 100% of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the trust.

Proposed constitution provides that upon the effective date of the amendment, the state treasurer shall deposit, transfer, or otherwise credit funds in an amount equal to such Settlement Agreement proceeds to the TOPS Fund received by the state between April 1, 2011 and the effective date of the amendment.

Present constitution limits appropriations from the Health Excellence Fund, Education Excellence Fund, and the TOPS Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust, adjusted for inflation, and as recognized by the Revenue Estimating Conference.

Proposed constitution retains present constitution limitations on appropriations from the Health Excellence Fund and the Education Excellence Fund relative to interest, dividends, and realized capital gains on investment of the trust.

Proposed constitution provides that for Fiscal Year 2011-2012, appropriations from the TOPS Fund shall be limited to the annual Settlement Agreement proceeds plus an amount of Settlement Agreement proceeds equal to such proceeds received by the state between April 1, 2011 and the effective date of the Act, as well as the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust.

Proposed constitution further provides that for Fiscal Year 2012-2013, and each fiscal year thereafter, appropriations from the TOPS Fund shall be limited to the amount of annual Settlement Agreement proceeds credited to and deposited into the TOPS Fund and the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust, adjusted for inflation and as recognized by the Revenue Estimating Conference.

Specifies submission of the amendment to the voters at the statewide election to be held on October 22, 2011.

(Amends Const. Art. VII, Section 10.8(A)(1)(c), (A)(2), (3), and (4), and (C)(1))