

RESOLUTION 2-S.F.No. 757

A resolution memorializing Congress to enact legislation to prohibit federal recoupment of the state tobacco settlement recoveries.

WHEREAS, the State of Minnesota entered into a settlement agreement on May 8, 1998, ending the lawsuit brought by the state against the tobacco industry; and

WHEREAS, the federal government has not brought its own lawsuit against the tobacco industry; and

WHEREAS, the federal government, through the Health Care Financing Administration, has asserted that it is entitled to a share of the state settlement on the basis that it allegedly represents the federal share of Medicaid costs; and

WHEREAS, the federal government asserts that it is authorized and obligated, under the third-party recovery provisions of the Social Security Act, to collect its share of any settlement funds attributable to Medicaid; and

WHEREAS, the state lawsuit was brought in state court under state law theories of consumer fraud, unlawful trade practices, deceptive trade practices, false advertising, unreasonable restraints of trade, and the use of monopoly power to affect competition in violation of the laws of the State of Minnesota; and

WHEREAS, the state initiated the lawsuit without any financial, technical, or other assistance from any branch or agency of the federal government, and settled without any assistance from the federal government; and

WHEREAS, the state is entitled to all of the funds negotiated in the tobacco settlement agreement entered into on May 8, 1998, without any federal claim; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the Congress and the Administration to support legislation that would explicitly prohibit the federal government from claiming or recouping any state tobacco settlement recoveries.

BE IT FURTHER RESOLVED that the United States Senators elected from Minnesota are requested to become cosponsors of S346 introduced in the Senate on February 3, 1999, by Senators Hutchison and Graham, and the United States Representatives elected from Minnesota are requested to become cosponsors of HR351 introduced in the House of Representatives on January 19, 1999, by Representatives Bilirakis and Franks.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, and Minnesota's Senators and Representatives in Congress.

Presented to the governor March 25, 1999

Signed by the governor March 29, 1999, 3:51 p.m.