

Senate Resolution 227

By: Senators Cagle of the 49th, Shafer of the 48th, Mullis of the 53rd, Hamrick of the 30th, Tanksley of the 32nd and others

A RESOLUTION

1 Directing the Georgia State Financing and Investment Commission to issue a request for
2 proposals for the transfer or securitization of all or part of the state's rights to payments
3 under the tobacco master settlement agreement; and for other purposes.

4 WHEREAS, the State of Georgia is a party to the master settlement agreement entered into
5 on November 23, 1998, by the state and leading United States tobacco product
6 manufacturers; and

7 WHEREAS, a number of other states which are parties to the master settlement agreement
8 have transferred or securitized all or part of their states' rights to payments under the master
9 settlement agreement; and

10 WHEREAS, such action can protect a state against possible default in payments under the
11 master settlement agreement, remove a state from economic interdependence on the tobacco
12 industry, and provide access to needed capital.

13 NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF
14 GEORGIA:

SECTION 1.

15 The Georgia State Financing and Investment Commission is authorized and directed to issue
16 a request for proposals for the transfer or securitization of all or part of the state's rights to
17 payments under the tobacco master settlement agreement.
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SECTION 2.

19 The request for proposals shall provide that a responsive request will provide the state with
20 multiple options for the transfer or securitization of all or part of the state's payment rights,
21 such that the state will have the option of accepting a proposal:
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23 (1) With respect to all such payment rights in perpetuity;

- 1 (2) With respect to all such payment rights for a limited period of time;
- 2 (3) With respect to a portion of such payment rights in perpetuity; or
- 3 (4) With respect to a portion of such payment rights for a limited period of time.

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SECTION 3.

5 The request for proposals shall be a matter of the highest priority and shall be issued by the
6 commission in the most timely manner practicable and shall request that proposals likewise
7 be made to the commission in the most timely manner practicable. The commission shall
8 promptly report to the Governor and the General Assembly upon the receipt of proposals
9 with respect to its evaluation of such proposals and the actions which would be needed to
10 implement one or more of such proposals.

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SECTION 4.

12 The issuance of the request for proposals shall not constitute a competitive bidding process
13 and shall not in any manner obligate the State of Georgia to accept any proposal.