

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2766-16
BILL NO. SJR 36
SUBJECT: Constitutional Amendments: Health Care; Tobacco Products
TYPE: Original
DATE: January 17, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$48,600)	\$0	\$0
Missouri Tobacco Settlement Trust	\$0	(\$172,000,000)	(\$173,500,000)
Emergency Budget Reserve	\$0	\$34,400,000	\$34,700,000
Total Estimated Net Effect on <u>All</u> State Funds	(\$48,600)	(\$137,600,000)	(\$138,800,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Social Services, Department of Health, Department of Mental Health, Department of Revenue (DOR), and Office of Administration** assumed, in responses to similar proposals, that the proposed legislation would have no fiscal impact on their agencies or that they could accomplish duties under this proposal with existing resources.

Oversight notes that the proposal does not cause any additional revenues but does specify how revenues would be used. Oversight also assumes that the General Assembly will use the proposal as a guideline for appropriations for FY 2002. (Estimates of amounts to be realized were provided by the Department of Mental Health for another proposal which would deal with tobacco settlement proceeds.)

Advertisement costs for the proposal would be \$4,380 per newspaper column inch for three publications of the text of the proposal, the introduction, title, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2000 general election.

FISCAL IMPACT - State Government FY 2001 FY 2002 FY 2003

GENERAL REVENUE FUND

<u>Cost-Secretary of State</u>			
Newspaper Advertisements	(\$43,800)	\$0	\$0

MISSOURI TOBACCO SETTLEMENT TRUST FUND

<u>Cost - Various Departments</u>			
Health Care and Public Wellness	\$0 (\$103,200,000)	(\$104,100,000)	
Smoking and Substance Abuse Education	\$0 (\$34,400,000)	(\$34,700,000)	
Transfer to Emergency Budget Reserve Fund	\$0 (\$34,400,000)	(\$34,700,000)	

ESTIMATED NET EFFECT ON MISSOURI TOBACCO SETTLEMENT TRUST FUND	<u>\$0\$172,000,000</u>	<u>(\$173,500,000)</u>	
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EMERGENCY BUDGET RESERVE FUND

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
<u>Income - Transfer from Missouri Settlement Trust Fund</u>	\$0	\$34,400,000	\$34,700,000
ESTIMATED NET EFFECT ON EMERGENCY BUDGET RESERVE FUND	<u>\$0</u>	<u>\$34,400,000</u>	<u>\$34,700,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would specify that monies received from an award or settlement between the state of Missouri and tobacco companies would be deposited into the Missouri tobacco settlement trust fund and that those monies would not be part of Total State Revenues.

The proposal would also specify how tobacco settlement funds would be spent:

- 1) sixty percent (60%) for health care and public wellness;
- 2) twenty percent (20%) for smoking abuse education, prevention and cessation; and
- 3) twenty percent (20%) would be deposited into the "Emergency Budget Reserve Fund" and could be used for any state emergency, natural emergency or budget deficit, upon two-thirds vote of each chamber of the legislature.

This legislation is not federally mandated, would not duplicate any other program, would not require additional capital improvements or rental space. The proposal might affect Total State Revenues.

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SOURCES OF INFORMATION

Department of Health
Department of Mental Health
Department of Revenue
Department of Social Services
Office of Administration

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is fluid and cursive, with the first name "Jeanne" written in a larger, more prominent script than the last name "Jarrett".

Jeanne Jarrett, CPA
Director
January 17, 2000