

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2067-01
Bill No.: SB 541
Subject: Tobacco Settlement
Type: Original
Date: March 6, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$319,000,000)	(\$162,000,000)	(\$164,000,000)
Missouri Tobacco Settlement Trust	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$319,000,000)	(\$162,000,000)	(\$164,000,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of the Governor**, the **House of Representatives**, the **Senate**, the **Department of Health**, the **Department of Social Services**, the **Department of Higher Education**, the **Department of Mental Health**, and the **Department of Elementary and Secondary Education** stated that the proposal would not have direct fiscal effect on their agencies.

Oversight assumes that tobacco settlement funds would be deposited into the General Revenue Fund in the absence of this proposal. Oversight also notes that Missouri's tobacco settlement funds have been, thus far, deposited in an escrow fund and assumes that payments for 1998 through 2000 would be deposited at one time and payments for 2001 would also be made during FY 2002; therefore the figure for FY 2002 represents three years worth of estimated payments. (There were no payments in calendar 1999.)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

**MISSOURI TOBACCO
 SETTLEMENT TRUST FUND**

<u>Income</u> - Tobacco Settlement Revenue	\$319,000,000	\$162,000,000	\$164,000,000
<u>Cost</u> - Appropriations to Tobacco Moneys Board	(\$319,000,000)	(\$162,000,000)	(\$164,000,000)

ESTIMATED NET EFFECT ON MISSOURI TOBACCO SETTLEMENT TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
---	-------------------	-------------------	-------------------

GENERAL REVENUE FUND

<u>Loss</u> - Tobacco Settlement Revenue	(\$319,000,000)	(\$162,000,000)	(\$164,000,000)
--	-----------------	-----------------	-----------------

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$319,000,000)</u>	<u>(\$162,000,000)</u>	<u>(\$164,000,000)</u>
---	-------------------------------	-------------------------------	-------------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

	\$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 create the "Missouri Settlement Trust Fund". The State Treasurer would deposit all moneys received from tobacco companies in settlement of a dispute between Missouri and tobacco companies. Monies in the Fund would not revert to general revenue at the end of the biennium. Monies in the Fund would be appropriated to the Tobacco Moneys Board which would review requests for and award grants for listed groups or causes.

Grants awarded to agencies receiving state appropriations would not be considered part of core budgets for appropriation purposes.

A Tobacco Moneys Review Board would analyze the impact of grants awarded by the Tobacco Moneys Board and would submit findings and recommendations concerning the previous year's grants to that Board prior to that Board's review of grant proposals for the next fiscal year.

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education
Department of Health
Department of Mental Health
Department of Social Services
Governor
House of Representatives
Senate



Jeanne Jarrett, CPA
Director
March 6, 2001