

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3657-01
Bill No.: SJR 31
Subject: Constitutional Amendments: Tobacco Settlement
Type: Original
Date: January 29, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$87,600)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$87,600)	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

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

DOR officials point out that if, as a result of the election, there is an article X distribution or distributions there would be mailing costs of \$951,142 for each year there is a distribution.

STO officials note that if, as a result of the election, there is an Article X distribution, the state would issue 2.8 million checks. It costs about 6.75 cents per check to pay a check. Officials estimate that 97% of checks would clear. Costs would be about \$184,000 (40% of these costs would be to the General Revenue Fund, 2.65% of costs would be to the State Road Fund, and 57.35% of costs would be to other funds invested in the general pool.) The interest on these funds would be lost. STO officials note that the 3% of checks which remain uncashed would become the responsibility of the Unclaimed Property Unit. The unit's cost are 2.85 cents per dollar collected. Unclaimed Property received 74,000 article X refund checks from the 1999 distribution in 2000. The checks were valued at about \$3,400,000 resulting in a cost of \$97,000 (79% General Revenue and 21% Abandoned Fund).

Advertisement costs for the proposal would be \$4,380 per newspaper column inch for three printings of the text of the proposal, the introduction, title, fiscal note summary, and affidavit. The proposal would be on the ballot for the November 2002 general election.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
<u>Cost to General Revenue Fund</u>			
<u>Secretary of State</u>			
Newspaper Advertisements	(\$87,600)	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
	\$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 present two propositions to Missouri voters.

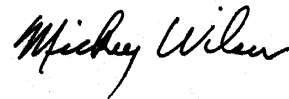
One would require that any funds received by the state of Missouri as a result of any tobacco-related legal settlement or award be deposited in the Missouri Tobacco Settlement Trust Fund, excluded from the definition of "total state revenues" and would be subject to appropriation to the Healthy Families Trust Fund for purposes specified in the proposal.

The other would require that any funds received by the state of Missouri as a result of any tobacco-related legal settlement or award be deposited in the Missouri Tobacco Settlement Trust Fund, included in the definition of "total state revenues" and would be subject to appropriation to the Healthy Families Trust Fund for purposes specified in the proposal.

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 Revenue.

SOURCES OF INFORMATION

Department of Health
Department of Mental Health
Department of Revenue
Department of Social Services
Office of Administration
 Division of Accounting
 Division of Budget and Planning
State Treasurer



Mickey Wilson, CPA
Acting Director
January 29, 2002