

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4827-08
Bill No.: HCS for SS#2 for SB 1191
Subject: Bonds: Tobacco Settlement
Type: Original
Date: May 15, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$532,634,279	(\$4,000)	(\$4,000)
Healthy Families Trust	\$0	(\$43,000,000)	(\$43,000,000)
Total Estimated Net Effect on <u>All</u> State Funds	\$532,634,279	(\$43,004,000)	(\$43,004,000)

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 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Administration's Division of Budget and Planning**, the **Office of the Governor**, the **Office of the Attorney General**, the **Office of the State Treasurer**, the **House of Representatives** and the **Senate** stated either that the proposal would not affect their agency or that their agency could accomplish duties under terms of this proposal with existing resources.

Officials of the **Office of Administration - Division of Accounting** computed ongoing costs to the Healthy Families Trust Fund of \$43,000,000 per year beginning in FY 2004 based on the following assumptions: Bond Issue Amount of \$584,255,000; 21-Year Maturity; 5.321% Average Interest Rate; Debt Service Reserve Fund from bond proceeds; Cost of Issuance paid from bond proceeds; Bonds sold in second half of FY 2003; and receipt in General Revenue of all net bond proceeds for permissible expenditures in FY 2003.

FISCAL IMPACT - State Government FY 2003 FY 2004 FY 2005

GENERAL REVENUE FUND

<u>Income</u> - Bond Sale Proceeds	\$532,673,669	\$0	\$0
<u>Costs</u> - Bond Issue Costs	(\$39,390)	(\$4,000)	(\$4,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$532,634,279</u>	<u>(\$4,000)</u>	<u>(\$4,000)</u>

HEALTHY FAMILIES TRUST FUND

<u>Cost</u> - Bond Receipts Pledge	\$0	(\$43,000,000)	(\$43,000,000)
ESTIMATED NET EFFECT ON HEALTHY FAMILIES TRUST FUND	<u>\$0</u>	<u>(\$43,000,000)</u>	<u>(\$43,000,000)</u>

FISCAL IMPACT - Local Government 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 establish a Missouri Tobacco Settlement Authority which would implement and administer securitization of a portion of the state's share of payments received under terms of the Master Settlement Agreement with certain tobacco companies.

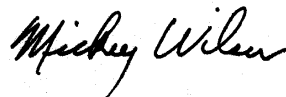
The proposal would also add the Speaker of the House or the Speaker's designee and the President Pro Tempore of the Senate or the Pro Tempore's designee to the Board of Public Buildings.

This act contains an emergency clause.

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

SOURCES OF INFORMATION

Office of Administration - Division of Accounting



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Acting Director
May 15, 2002