

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2145-01
Bill No.: HB 888
Subject: Treasurer, State: Tobacco Settlement
Type: Original
Date: March 9, 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	\$319,000,000	\$162,000,000	\$164,000,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

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 **State Treasurer** stated that office could absorb duties to administer one additional state fund without the need for additional resources.

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
GENERAL REVENUE FUND			
<u>Loss</u> - Tobacco Settlement Revenue	(\$319,000,000)	(\$162,000,000)	(\$164,000,000)
 <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 establish a "Missouri Tobacco Settlement Trust Fund" in the state treasury. The State Treasurer would deposit all moneys received by Missouri under terms of the Master Settlement Agreement into the Fund.

The State Treasurer would invest the moneys in the Trust Fund in a manner similar to the **DESCRIPTION** (continued)

investment of surplus state funds. The moneys in the Fund would not revert to the credit of the General Revenue Fund at the end of the biennium. All earnings from the investment of moneys in the Fund would remain in the Fund.

No disbursement will be made from the Fund until procedures for disbursement are approved by the voters and enacted into law by the legislature.

SOURCES OF INFORMATION

State Treasurer



Jeanne Jarrett, CPA
Director
March 9, 2001