

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB1436 Amendment to: _____

Requested by Legislative Council Date of Request: 1-20-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill requires all tobacco settlement funds to be deposited into a health education trust fund. During the first biennium 20% of these funds will be used to administer health and education programs. There will be no additional FTE's added to the State Department of Health. Funds will be granted to local communities to provide direct services. The other 80% will remain in the health education trust fund. During the second biennium the State Department of Health will receive 10% of the payment funds and the interest payments received from the prior biennium and the other 90% of the payment funds will remain in the health education trust fund. This bill continues to allocate a portion of the interest payment for the third, fourth, fifth, sixth and seventh bienniums and the balance remains in the health education trust fund.

See attached for projection of revenue from tobacco settlement.

2. State fiscal effect in dollar amounts:

Table with 7 columns: 1997-99 Biennium (General Fund, Special Funds), 1999-2001 Biennium (General Fund, Special Funds), 2001-03 Biennium (General Fund, Special Funds). Rows: Revenues, Expenditures.

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: NA
b. For the 1999-2001 biennium: 11.5 million
c. For the 2001-03 biennium: 12.2 million

4. County, City, and School District fiscal effect in dollar amounts:

Table with 9 columns: 1997-99 Biennium (Counties, Cities, School Districts), 1999-2001 Biennium (Counties, Cities, School Districts), 2001-03 Biennium (Counties, Cities, School Districts). Row: Unknown.

If additional space is needed, attach a supplemental sheet.

Signed [Signature]

Typed Name Robert A. Barnett

Date Prepared: 1-25-99

Department State Department of Health

Phone Number 328-2392

Fiscal Note HB 1436
Tobacco Settlement Funds

The Master Settlement Agreement (signed in November) contemplates the following payments to ND:

- 1998 ~ \$8,784,331
- 1999 ~ \$0
- 2000 ~ \$23,467,889
- 2001 ~ \$25,341,550
- 2002 ~ \$30,427,805
- 2003 ~ \$30,715,772
- 2004 - 2007 ~ \$25,635,606
- 2008 - 2017 ~ \$26,144,365
- 2009 - 2025 ~ \$29,295,744

During the 1999 - 2001 biennium, payments totaling \$57.6 million should be paid into an escrow account and should be available to ND (according to Laurie Loveland).

- On or before 6/30/00 ~ three payments totaling \$32.2 million
- On or before 1/10/01 ~ one payment totaling \$9.3 million
- On or before 4/15/01 ~ one payment totaling \$16.1 million