

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB1475 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 tobacco settlement trust fund. The bill provides a 10% transfer of the settlement funds to a health education trust fund. The State Department of Health will use these funds to administer a tobacco prevention program. There will be no additional FTE's added to our Department. Funds will be granted to local communities to provide direct services.

The remaining 90% of the settlement funds will be transferred to the common school trust fund and the resources trust fund.

See attached for projection of revenue from tobacco settlement.

2. **State** fiscal effect in dollar amounts:

| | 1997-99 Biennium | | 1999-2001 Biennium | | 2001-03 Biennium | |
|---------------|------------------|---------------|--------------------|------------------|------------------|-------------------|
| | General Fund | Special Funds | General Fund | Special Funds | General Fund | Special Funds |
| Revenues: | | NA | | 57.6 million est | | 61.1 million est. |
| Expenditures: | | NA | | Unknown | | Unknown |

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: 5.8 million
- c. For the 2001-03 biennium: 6.1 million

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

| 1997-99 Biennium | | | 1999-2001 Biennium | | | 2001-03 Biennium | | |
|------------------|---------|------------------|--------------------|---------|------------------|------------------|---------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | Unknown | | | Unknown | | | Unknown | |

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Robert A. Barnett

Department State Department of Health

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Date Prepared: 1-25-99

Fiscal Note HB 1475
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