

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5176-01
Bill No.: HB 1242
Subject: Tobacco Products
Type: Original
Date: February 14, 2014

Bill Summary: This proposal changes the formula determining how much money certain tobacco product manufacturers who are not participating in the Tobacco Master Settlement Agreement receive back escrow funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and the **Department of Public Safety - Alcohol and Tobacco Control Division** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration** and the **Office of Administration - Budget and Planning** defer to the Attorney General's Office for fiscal impact to their respective organizations.

Officials from the **Attorney General's Office (AGO)** assume this provision modifies a portion of the escrow requirement for tobacco manufacturers who did not participate in the Tobacco Master Settlement Agreement (MSA). The proposal would simplify one issue related to enforcement of the escrow provisions. However, savings to the AGO from this simplification, if any, would be de minimis.

Although payments to the State of Missouri resulting from the MSA are not a part of the AGO's budget and do not flow through the AGO, the AGO notes that the proposal may potentially result in an increased likelihood of favorable future litigation results and a corresponding increase in future MSA payments to Missouri. However, as current disputes over the MSA are being litigated approximately ten years in arrears, any such benefits are unlikely to be realized in the next three fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

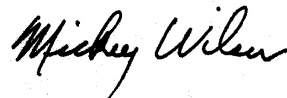
The proposed legislation appears to have no direct fiscal impact.

This proposal has 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.

SOURCES OF INFORMATION

Department of Public Safety
Department of Revenue
Office of Administration
Office of Administration - Budget and Planning
Attorney General's Office



Mickey Wilson, CPA
Director
February 14, 2014

Ross Strobe
Assistant Director
February 14, 2014