

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	SJR 27
Version:	ENGR
Request Number:	NA
Author:	Rep. Wallace
Date:	5/14/2020
Impact:	Tobacco Settlement Endowment Trust

Modifies the Trust Deposit Percentage

Decrease to Trust Fund

Amounts Vary by Year

Research Analysis

SJR 27 modifies the minimum percentage of funds received from any tobacco settlement that must be paid to the Tobacco Settlement Endowment Trust Fund for FY-21 and every fiscal year thereafter to 25%. The measure also removes language authorizing the Legislature to direct a portion of funds to the Attorney General. The measure adds that the funds may be expended to draw down federal matching funds for the Medicaid program.

Prepared By: Anna Rouw

Fiscal Analysis

The resolution will decrease the percentage of Master Settlement Agreement (MSA) payments from seventy-five percent (75%) annually to twenty-five percent (25%), beginning in FY-21, subject to approval by voters.

While annual MSA payments vary somewhat, typical annual payments appear to be in the \$75 million range. Under the current percentage, the Trust would receive approximately \$56,250,000. Should the adjustment be approved the annual amount would be approximately \$18,750,000. The remainder would be available for apportionment to the Attorney General and for legislative disposition. All funds available to the Legislature are to be used to fund Medicaid programs.

Prepared By: Mark Tygret

Other Considerations

None.