

OFFICE OF FISCAL ANALYSIS

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sHB-6914

AN ACT CONCERNING THE USE OF FUNDS IN THE OPIOID AND TOBACCO SETTLEMENT FUNDS AND FUNDS RECEIVED BY THE STATE AS PART OF ANY SETTLEMENT AGREEMENT WITH A MANUFACTURER OF ELECTRONIC NICOTINE DELIVERY SYSTEM AND VAPOR PRODUCTS.

As Amended by House "A" (LCO 8072)

House Calendar No.: 341

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Tobacco Health Trust Fund	Tobacco Health Trust Fund - Revenue Gain	Potential	Potential

Municipal Impact: None

Explanation

The bill directs the use of proceeds¹ from the recent, multi-state JUUL settlement, which has no fiscal impact.

The bill also enables the recovery of certain tobacco funds placed in escrow for the benefit of Connecticut. According to testimony by the Office of the Attorney General, some non-participating manufacturers may be defunct or have very few funds in their accounts. The bill would allow them (or banks holding the accounts, if the non-participating manufacturer has abandoned them) to close the account and transfer the money to the state Tobacco and Health Trust Fund.

¹ CT proceeds of approximately \$16.2 million in total are anticipated over six to ten years.

House "A" removed the provision in the underlying bill that would have increased the statutory transfer of tobacco settlement fund proceeds to the tobacco and health trust fund beginning in FY 24. This provision of the underlying bill would have resulted in a \$10.7 million revenue gain annually to the tobacco and health trust fund and commensurate revenue loss to the General Fund.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.