

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: March 24, 1998 Revised: 03/26/98 \_\_\_\_\_

Subject: Tobacco Lawsuit Settlement TF

|    | <u>Analyst</u> | <u>Staff Director</u> | <u>Reference</u> | <u>Action</u>          |
|----|----------------|-----------------------|------------------|------------------------|
| 1. | <u>Revell</u>  | <u>Smith</u>          | <u>WM</u>        | <u>Fav/1 amendment</u> |
| 2. | _____          | _____                 | _____            | _____                  |
| 3. | _____          | _____                 | _____            | _____                  |
| 4. | _____          | _____                 | _____            | _____                  |
| 5. | _____          | _____                 | _____            | _____                  |

**I. Summary:**

This bill states that it is the intent of the Legislature to create a separate trust fund in the state treasury for deposit of tobacco lawsuit funds.

**II. Present Situation:**

Funds currently being received under the settlement of State of Florida vs. American Tobacco Co., Case No 95-1466AH, are being deposited in the State Treasury to the credit of an Escrow Account in the treasury or to the Grants and Donations Trust Fund in the Department of Health.

**III. Effect of Proposed Changes:**

Section 1 states that it is the intent of the Legislature to create a separate trust fund for the deposit of all moneys received by the state as a result of the settlement of its lawsuit against the tobacco industry.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

It is the intent that all tobacco settlement funds received by the state be deposited into a trust fund in the State Treasury.

**VI. Technical Deficiencies:**

The bill does not create a trust fund but only states that it is the intent of the Legislature to create a trust fund. Article III, s. 19(f)(1), State Constitution, states that “No trust fund of the State of Florida or other public body may be created by law without a three-fifths (3/5) vote of the membership of each house of the legislature in a separate bill for that purpose only.”

**VII. Related Issues:**

None.

**VIII. Amendments:**

#1 by Ways and Means:

The amendment is a strike everything amendment. It creates the Tobacco Settlement Trust Fund for the purpose of depositing all funds received by the state as a result of the settlement of the lawsuit against the tobacco industry. The amendment specifies funds in the trust fund shall be invested with interest accruing to the trust fund and be subject to appropriations by the Legislature. The trust fund is terminated July 1, 2002, unless terminated sooner by action of the Legislature. Effective date is upon becoming law. (WITH TITLE AMENDMENT)