

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.)

BILL: Committee Substitute SB 1962

SPONSOR: Committee on Fiscal Policy and Senator Casas

SUBJECT: Tobacco Settlement Trust Fund

DATE: March 24, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Peters</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill creates the Department of Banking and Finance Tobacco Settlement Clearing Trust Fund within the Department of Banking and Finance.

This bill creates section 17.41, Florida Statutes.

II. Present Situation:

Funds currently being received under the settlement of Florida vs. American Tobacco Company, Case No 95-1466AH, are being deposited in the State Treasury to the credit of an Escrow Account or to the Grants and Donations Trust Fund in the Department of Health. Currently, the Department of Health transfers funds appropriated by the Legislature to the various departments into existing trust funds. There is a need to account separately for spending of tobacco settlement funds.

III. Effect of Proposed Changes:

The bill creates the Department of Banking and Finance Tobacco Settlement Clearing Trust Fund. Funds credited to the trust fund shall consist of all annual payments received by the state from settlement of State of Florida v. American Tobacco Co., Case No. 95-1466AH, in the Circuit Court for the Fifteenth Judicial Circuit, in and for Palm Beach County, Florida. Funds deposited into the trust fund are exempt from the general revenue service charge under section 215.20, Florida Statutes.

The State Board of Administration is responsible for investing and reinvesting funds in the trust fund in accordance with sections 215.44 - 215.53, Florida Statutes. The costs and fees of the board for investment services are to be deducted from the earnings accruing to the trust fund. Funds are to be disbursed from the clearing trust fund, by nonoperating transfer, to the various

tobacco settlement trust funds in the agencies in amounts equal to the annual appropriations made in the General Appropriations Act.

The trust fund is not subject to termination under the State Constitution. The act is effective upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

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 be deposited into a single trust fund to be used for the purposes permitted or required by the settlement. The Department of Banking and Finance shall invest and reinvest the moneys and disburse funds appropriated by the Legislature, by nonoperating transfer, to the various agencies.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
