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FISCAL IMPACT REPORT

SPONSOR Smith **ORIGINAL DATE** _____ **LAST UPDATED** 01/30/15 **HB** _____

SHORT TITLE Tobacco Fund Distributions **SB** 270

ANALYST Boerner

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	≈ (\$20,800.0)		N	Tobacco Settlement Permanent Fund
	≈ \$20,800.0		N	Tobacco Settlement Program Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

SUMMARY

Synopsis of Bill

This bill allows the legislature to appropriate all of the funds the state receives pursuant to the Tobacco Master Settlement Agreement, rather than depositing 50 percent of the funds into the tobacco settlement permanent fund and the remaining 50 percent in the tobacco settlement program fund for appropriation by the legislature.

FISCAL IMPLICATIONS

This bill would allow the legislature to spend down more tobacco settlement revenue for fiscal year 2016 spending priorities and reserve less for future years as part of the tobacco settlement permanent fund. The above \$20.8 million is the estimated amount expected to be available.

OTHER SUBSTANTIVE INFORMATION

Master settlement agreement (MSA) revenue decreased in FY14 due to a reduction in the settlement payment pursuant to a successful challenge by participating manufacturers of New Mexico's enforcement of the MSA. Total MSA revenue is projected to be \$39.9 million and \$40.1 million in FY15 and FY16, respectively. The forecast remains subject to uncertainty surrounding the nature and timing of any subsequent challenges by participating manufacturers of New Mexico's enforcement of the MSA.

CEB/aml