

SF2520 - 0 - Tobacco Use Prevention Account

Chief Author: **Kelly Morrison**
 Committee: **Health And Human Services**
 Date Completed: **3/16/2023 10:55:26 AM**
 Lead Agency: **Health Dept**
 Other Agencies:
 Attorney General

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
State Total						
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Kate Schiller **Date:** 3/16/2023 10:55:26 AM
Phone: 651-296-6052 **Email:** kate.schiller@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

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 Committee: **Health And Human Services**
 Date Completed: **3/16/2023 10:55:26 AM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
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State Cost (Savings)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Kate Schiller **Date:** 3/16/2023 10:55:16 AM
Phone: 651-296-6052 **Email:** kate.schiller@lbo.mn.gov

State Cost (Savings) Calculation Details

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Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill establishes a new tobacco use prevention account and appropriates money to the Department of Health. The bill requires the Commissioner of Health to prioritize funding under the existing statutes related to commercial tobacco prevention and cessation.

The bill will dedicate any money received by the state from a settlement agreement or assurance of discontinuance related to alleged violations of consumer fraud laws in the marketing, sale or distribution of electronic nicotine delivery systems in the state, or other alleged illegal actions that contributed to the exacerbation of youth nicotine use. The funds will be deposited in the settlement account for tobacco use prevention under Minnesota Statutes, section 144.398.

The new tobacco use prevention account will be created in a special revenue fund. The funds will be appropriated each fiscal year into the tobacco use prevention account to the Commissioner of Health for tobacco use prevention and cessation in accordance with Minnesota Statutes, sections 144.392, 144.393, 144.396, and 144.397. The Commissioner of Health must prioritize activities funded under the Statutes to prevent persons under age 21 from using commercial tobacco, electronic delivery devices, tobacco-related devices, and nicotine deliver products; promote racial and health equity; and use strategies that are evidence-based or based on promising practices.

The legislation would take effect following enactment.

Assumptions

There is no cost to establish a dedicated account for this purpose. Should such a settlement agreement be reached, expenditures would be relative to revenue received.

Expenditure and/or Revenue Formula**Long-Term Fiscal Considerations****Local Fiscal Impact****References/Sources**

Agency Contact:

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SF2520 - 0 - Tobacco Use Prevention Account

Chief Author: **Kelly Morrison**
 Committee: **Health And Human Services**
 Date Completed: **3/16/2023 10:55:26 AM**
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 3/14/2023 4:26:24 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

HF 2422 (hereinafter "the Bill") would establish a new tobacco use prevention account under Minnesota Statutes chapter 144. The tobacco use prevention account would be funded by money received by the State from a settlement or court order obtained by the Attorney General's Office from investigations or litigation "related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine use." The tobacco use prevention account is appropriated to the Minnesota Department of Health for spending on a list of tobacco and e-cigarette use prevention and education activities, referencing existing tobacco use prevention projects administered by the Department of Health. The Bill also directs the Commissioner of Health to prioritize prevention of youth use, racial and health equity, and strategies that are evidence-based or based on promising practices.

Assumptions

The Attorney General's Office does not project any defined expenditures, absorbed costs, or revenues from the Bill's creation of the tobacco use prevention account. The Bill's direction to deposit electronic nicotine delivery system litigation and settlement proceeds into the tobacco use prevention account does not affect AGO funding because all proceeds of AGO litigation or settlement in general currently go to the State's general fund or to provide restitution to specified injured persons or entities pursuant to existing law.

This bill would apply to proceeds of the AGO's active lawsuit against e-cigarette manufacturers Juul and Altria for violations of state consumer-protection laws, negligence, unjust enrichment, and creating a public nuisance. That case is set for a three-week trial beginning on March 27.

Expenditure and/or Revenue Formula

n/a

Long-Term Fiscal Considerations

n/a

Local Fiscal Impact

n/a

References/Sources

n/a

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