

Department of Planning and Budget 2001 Fiscal Impact Statement

1. **Bill Number** HB1726

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** Rust

3. **Committee** Finance

4. **Title** Tobacco Indemnification and Community Revitalization Endowment

5. **Summary/Purpose:** This bill creates the Tobacco Indemnification and Community Revitalization Endowment for the custody, investment and disbursement, subject to appropriation by the General Assembly, of fifty percent of the proceeds of any periodic payments or the sale of all or a portion of the Commonwealth's allocation pursuant to the Tobacco Master Settlement Agreement (MSA). The endowment may also include such other funds as may be appropriated by the General Assembly and all interest, dividends and appreciation that may accrue.

The income and corpus shall be paid out to the Tobacco Indemnification and Community Revitalization Fund to be used to compensate tobacco growers and tobacco quota holders for the economic loss resulting from quota loss or elimination and to promote economic growth and development in tobacco-dependent communities. The Treasury Board would serve as trustee of the Endowment and the State Treasurer would be the custodian of moneys in the Endowment.

6. **Fiscal Impact Estimates are:** See Item 8.

7. **Budget amendment necessary:** Yes. Item 545 of the 2001 Introduced Budget Bill contained an appropriation for the endowment from the deposit of the net cash proceeds resulting from the securitization of fifty percent of the Commonwealth's allocation of MSA payments. While HB 1600 retains the applicable language and appropriation, SB 800 does not, and would require a budget amendment to restore the appropriation and applicable language.

8. **Fiscal implications:** Securitizing fifty percent of the MSA payments over the next 20 years would result in an appropriation of \$584,259,521 for payment to the endowment in FY 2002.

9. **Specific agency or political subdivisions affected:** Department of the Treasury, Treasury Board, and the Tobacco Indemnification and Community Revitalization Commission.

10. **Technical amendment necessary:** No.

11. **Other comments:** None.

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cc: Secretary of Finance

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