

## Department of Planning and Budget 2001 Fiscal Impact Statement

**1. Bill Number** HB2829

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

**2. Patron** Brink, Robert H.

**3. Committee** Finance

**4. Title** Health Care Trust Fund.

- 5. Summary/Purpose:** Currently, the General Assembly has appropriated 60 percent of Virginia's share of payments from the Master Settlement Agreement (MSA) (50 percent to the Tobacco Indemnification and Community Revitalization Fund to provide compensation to farmers and revitalize tobacco dependent communities and 10 percent to the Virginia Tobacco Settlement Fund to provide programs to discourage, eliminate or prevent use of tobacco products to minors). The remaining 40 percent of the MSA payments are deposited into the general fund for appropriation.

This bill requires that a quarter of the state's general fund portion of the MSA funds (or 10 percent of the total payment to Virginia from the MSA) be deposited into a nongeneral non-reverting fund called the Virginia Health Care Trust Fund. The fund will be used for health care purposes as specified in the general appropriation act. The deposited amount will also be included in the general fund revenue calculations for the purposes of calculating general fund revenues to continue deduction on tangible personal property tax bills (Code of Virginia, §58.1-3524, subsection C; and §58.1-3536, subsection B).

**6. Fiscal Impact Estimates are:** Tentative

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	(\$14,517,775)	0	GF
2001-02	\$14,517,775	0	NGF
2002-03	(\$14,709,977)	0	GF
2002-03	\$14,709,977	0	NGF

6b. Revenue Impact: See Item 8.

- 7. Budget amendment necessary:** Yes, to provide appropriation for the Health Care Trust Fund and to reduce general fund agencies' appropriations elsewhere in the budget to offset the Trust Fund appropriation.
- 8. Fiscal implications:** This bill will require that a portion of the general fund be transferred to the nongeneral non-reverting fund established by this bill. Though this bill requires that the deposited amount be included in the general fund revenue calculations, it reduces the amount available for appropriation from the general fund in fiscal year 2002 by the amount which has to be deposited into

the nongeneral non-reverting fund. These funds are included and appropriated in the Governor's introduced budget bill. The amount of \$14,517,775 is an estimate based on the scheduled MSA payment for fiscal year 2002. The estimated \$14,709,977 in fiscal year 2003 is not appropriated in the current biennial budget but is 10 percent of the amount forecasted for the total MSA payment to be received in fiscal year 2003.

**9. Specific agency or political subdivisions affected:** All general fund agencies.

**10. Technical amendment necessary:** None.

**11. Other comments:** None.

**Date:** 01/25/01 / laf

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cc: Secretary of Finance  
Secretary of Health and Human Resources

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