



House of Representatives

General Assembly

File No. 154

February Session, 2022

House Bill No. 5364

House of Representatives, March 28, 2022

The Committee on Public Health reported through REP. STEINBERG of the 136th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE TOBACCO SETTLEMENT TRUST FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 4-28e of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2022*):

4 (c) For the fiscal year ending June 30, [2018] 2023, and each fiscal year
5 thereafter, disbursements from the Tobacco Settlement Fund shall be
6 made [to] as follows: (1) To the General Fund (A) in the amount
7 identified as "Transfer from Tobacco Settlement Fund" in the General
8 Fund revenue schedule adopted by the General Assembly, and (B) in an
9 amount equal to four million dollars, and (2) any remainder to the
10 Tobacco and Health Trust Fund.

11 Sec. 2. Section 4-28f of the general statutes is repealed and the
12 following is substituted in lieu thereof (*Effective July 1, 2022*):

13 (a) There is created a Tobacco and Health Trust Fund which shall be

14 a separate nonlapsing fund. The purpose of the trust fund shall be to
15 create a continuing significant source of funds to (1) support and
16 encourage development of programs to reduce tobacco abuse through
17 prevention, education and cessation programs, (2) support and
18 encourage development of programs to reduce substance abuse, and (3)
19 develop and implement programs to meet the unmet physical and
20 mental health needs in the state.

21 (b) The trust fund may accept transfers from the Tobacco Settlement
22 Fund and may apply for and accept gifts, grants or donations from
23 public or private sources to enable the trust fund to carry out its
24 objectives.

25 (c) The trust fund shall be administered by a board of trustees, except
26 that the board shall suspend its operations from July 1, 2003, to June 30,
27 2005, inclusive. The board shall consist of seventeen trustees. The
28 appointment of the initial trustees shall be as follows: (1) The Governor
29 shall appoint four trustees, one of whom shall serve for a term of one
30 year from July 1, 2000, two of whom shall serve for a term of two years
31 from July 1, 2000, and one of whom shall serve for a term of three years
32 from July 1, 2000; (2) the speaker of the House of Representatives and
33 the president pro tempore of the Senate each shall appoint two trustees,
34 one of whom shall serve for a term of two years from July 1, 2000, and
35 one of whom shall serve for a term of three years from July 1, 2000; (3)
36 the majority leader of the House of Representatives and the majority
37 leader of the Senate each shall appoint two trustees, one of whom shall
38 serve for a term of one year from July 1, 2000, and one of whom shall
39 serve for a term of three years from July 1, 2000; (4) the minority leader
40 of the House of Representatives and the minority leader of the Senate
41 each shall appoint two trustees, one of whom shall serve for a term of
42 one year from July 1, 2000, and one of whom shall serve for a term of
43 two years from July 1, 2000; and (5) the Secretary of the Office of Policy
44 and Management, or the secretary's designee, shall serve as an ex-officio
45 voting member. Following the expiration of such initial terms,
46 subsequent trustees shall serve for a term of three years. The period of
47 suspension of the board's operations from July 1, 2003, to June 30, 2005,

48 inclusive, shall not be included in the term of any trustee serving on July
49 1, 2003.

50 The trustees shall serve without compensation except for
51 reimbursement for necessary expenses incurred in performing their
52 duties. The board of trustees shall establish rules of procedure for the
53 conduct of its business which shall include, but not be limited to,
54 criteria, processes and procedures to be used in selecting programs to
55 receive money from the trust fund. The trust fund shall be within the
56 Office of Policy and Management for administrative purposes only. The
57 board of trustees shall, not later than January first of each year [, except
58 following a fiscal year in which the trust fund does not receive a deposit
59 from the Tobacco Settlement Fund, shall] submit a report of its activities
60 and accomplishments to the joint standing committees of the General
61 Assembly having cognizance of matters relating to public health and
62 appropriations and the budgets of state agencies, in accordance with
63 section 11-4a.

64 (d) (1) [During the period commencing July 1, 2000, and ending June
65 30, 2003, the board of trustees, by majority vote, may recommend
66 authorization of disbursement from the trust fund for the purposes
67 described in subsection (a) of this section and section 19a-6d, provided
68 the board may not recommend authorization of disbursement of more
69 than fifty per cent of net earnings from the principal of the trust fund for
70 such purposes. For the fiscal year commencing July 1, 2005, and each
71 fiscal year thereafter, the board may recommend authorization of the
72 net earnings from the principal of the trust fund for such purposes. For
73 the fiscal year ending June 30, 2009, and each fiscal year thereafter, the
74 board may recommend authorization of disbursement for such
75 purposes of (A) up to one-half of the annual disbursement from the
76 Tobacco Settlement Fund to the Tobacco and Health Trust Fund from
77 the previous fiscal year, pursuant to section 4-28e, up to a maximum of
78 six million dollars per fiscal year, and (B) the net earnings from the
79 principal of the trust fund from the previous fiscal year.] For the fiscal
80 year ending June 30, [2014] 2023, and each fiscal year thereafter, the
81 board of trustees, by majority vote, may recommend authorization of

82 disbursement [of up to the total unobligated balance remaining in the
83 trust fund after disbursement in accordance with the provisions of the
84 general statutes and relevant special and public acts for such purposes,
85 not to exceed] from the trust fund for the purposes described in
86 subsection (a) of this section and section 19a-6d, provided the board
87 may not recommend authorization of disbursement of more than twelve
88 million dollars per fiscal year from the trust fund for such purposes. The
89 board's recommendations shall give (i) priority to programs that
90 address tobacco and substance abuse and serve minors, pregnant
91 women and parents of young children, and (ii) consideration to the
92 availability of private matching funds. Recommended disbursements
93 from the trust fund shall be in addition to any resources that would
94 otherwise be appropriated by the state for such purposes and programs.

95 (2) Except during the fiscal years ending June 30, 2004, and June 30,
96 2005, the board of trustees shall submit such recommendations for the
97 authorization of disbursement from the trust fund to the joint standing
98 committees of the General Assembly having cognizance of matters
99 relating to public health and appropriations and the budgets of state
100 agencies. Not later than thirty days after receipt of such
101 recommendations, said committees shall advise the board of their
102 approval, modifications, if any, or rejection of the board's
103 recommendations. If said joint standing committees do not concur, the
104 speaker of the House of Representatives, the president pro tempore of
105 the Senate, the majority leader of the House of Representatives, the
106 majority leader of the Senate, the minority leader of the House of
107 Representatives and the minority leader of the Senate each shall appoint
108 one member from each of said joint standing committees to serve as a
109 committee on conference. The committee on conference shall submit its
110 report to both committees, which shall vote to accept or reject the report.
111 The report of the committee on conference may not be amended. If a
112 joint standing committee rejects the report of the committee on
113 conference, the board's recommendations shall be deemed approved. If
114 the joint standing committees accept the report of the committee on
115 conference, the joint standing committee having cognizance of matters
116 relating to appropriations and the budgets of state agencies shall advise

117 the board of said joint standing committees' approval or modifications,
 118 if any, of the board's recommended disbursement. If said joint standing
 119 committees do not act within thirty days after receipt of the board's
 120 recommendations for the authorization of disbursement, such
 121 recommendations shall be deemed approved. Disbursement from the
 122 trust fund shall be in accordance with the board's recommendations as
 123 approved or modified by said joint standing committees.

124 (3) After such recommendations for the authorization of
 125 disbursement have been approved or modified pursuant to subdivision
 126 (2) of this subsection, any modification in the amount of an authorized
 127 disbursement in excess of fifty thousand dollars or ten per cent of the
 128 authorized amount, whichever is less, shall be submitted to said joint
 129 standing committees and approved, modified or rejected in accordance
 130 with the procedure set forth in subdivision (2) of this subsection.
 131 Notification of all disbursements from the trust fund made pursuant to
 132 this section shall be sent to the joint standing committees of the General
 133 Assembly having cognizance of matters relating to public health and
 134 appropriations and the budgets of state agencies, through the Office of
 135 Fiscal Analysis.

136 (4) The board of trustees shall, not later than February first of each
 137 year [, except following a fiscal year in which the trust fund does not
 138 receive a deposit from the Tobacco Settlement Fund,] submit a report to
 139 the General Assembly, in accordance with the provisions of section 11-
 140 4a, that includes all disbursements and other expenditures from the
 141 trust fund and an evaluation of the performance and impact of each
 142 program receiving funds from the trust fund. Such report shall also
 143 include the criteria and application process used to select programs to
 144 receive such funds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	4-28e(c)
Sec. 2	July 1, 2022	4-28f

PH *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
THTF	Tobacco Health Trust Fund - See Below	See Below	See Below
Resources of the General Fund	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill sets aside at least \$4 million annually of future proceeds from the Tobacco Settlement to the Tobacco Health Trust Fund, resulting in a commensurate revenue loss to the General Fund.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future.

OLR Bill Analysis

HB 5364

AN ACT CONCERNING THE TOBACCO SETTLEMENT TRUST FUND.

SUMMARY

This bill redirects annual disbursements from the Tobacco Settlement Fund, starting in FY 23. It provides that, after the required General Fund transfer, an additional \$4 million from the settlement fund goes to the General Fund, with any remaining funds directed to the Tobacco and Health Trust Fund. Under current law, the entire annual disbursement from the Tobacco Settlement Fund goes to the General Fund.

The bill retains provisions in current law capping at \$ 12 million the amount that the Tobacco and Health Trust Fund’s Board of Trustees may recommend be disbursed annually from the fund. It specifies that they may recommend disbursements to programs for the fund’s statutory purposes (i.e., tobacco use prevention, education, and cessation; substance abuse reduction; and unmet physical and mental health needs of the state).

The bill also makes several technical and conforming changes.

EFFECTIVE DATE: July 1, 2022

COMMITTEE ACTION

Public Health Committee

Joint Favorable

Yea 31 Nay 0 (03/16/2022)