

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 669 (Senators Currie and Lawlah)

Budget and Taxation

**Cigarette Restitution Fund - Maryland Center at Bowie State University -
Project 2010**

This bill adds the funding of specified addiction, smoking prevention and cessation, and substance abuse-related programs created or administered by the Maryland Center at Bowie State University through Project 2010 to those items that may be funded from the Cigarette Restitution Fund.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Adding an additional purpose for the Cigarette Restitution Fund would not affect overall fund expenditures. Funding for the Maryland Center at Bowie State University is not included in the FY 2001 budget.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill adds another purpose to be funded by the Cigarette Restitution Fund. Funding may be provided to the Maryland Center at Bowie State University's Project 2010 Program to: (1) create or administer community-based, early intervention programming to prevent nicotine and other substance abuse addictions and to address substance abuse-related problems including the spread of HIV and AIDs, the school dropout rate, school and domestic violence, and low birth-weights; and (2) provide infrastructure, support, and

technical assistance to smoking prevention and cessation programs cosponsored by the Prince George's County Tobacco Control Coordination Council.

Current Law: See below.

Background: In response to the 1998 tobacco settlement agreement, Chapters 172 and 173 of 1999 created the Cigarette Restitution Fund for settlement payments. All payments received by the State related to the tobacco settlement are to be placed into this nonlapsing fund. Monies in the fund can only be spent through appropriations in the annual State budget, and a minimum of \$100 million, or 90% of the funds available, must be appropriated. In addition, 50% of the funds must be appropriated for the following specific purposes:

- reduction in tobacco use by youth;
- tobacco control programs in schools;
- smoking cessation programs;
- enforcement of tobacco sales restrictions;
- primary health care in rural areas;
- programs concerning cancer, heart disease, lung disease, and tobacco control;
- substance abuse treatment and prevention;
- Maryland Health Care Foundation; and
- crop conversion.

For each program receiving funds, statements of vision, mission, goals, and objectives, along with performance indicators, are to be included with the budget submission, and an annual report is required evaluating the effectiveness of the prior year's spending.

State Fiscal Effect: The bill adds another item to the list of spending priorities that may be funded through the Cigarette Restitution Fund.

The Cigarette Restitution Act of 1999 outlined nine legislative spending priorities (mentioned above) for the Cigarette Restitution Fund addressing health- and tobacco-related issues. While the statute mandates that at least 50% of the spending should be focused on the nine priority areas, the Governor has considerable latitude in constructing a budget proposal for the use of the funds. The Governor's proposed fiscal 2001 budget meets the statutory requirements, with \$100.5 million, or 67% of the settlement funds, allocated to health- and tobacco-related programs. The total fiscal 2001 allowance for the Cigarette Restitution Fund is \$150.4 million.

Adding another purpose for the Cigarette Restitution Fund has no fiscal effect in that the

statute does not require all spending priorities to be funded in a given year.

The University System of Maryland advises that Robinson Hall on the Bowie State University campus would require approximately \$7.5 million in renovation and expansion expenses to house the Maryland Center's Project 2010 Program.

Additional Information

Prior Introductions: None.

Cross File: HB 1179 (Delegate Swain, *et al.*) - Environmental Matters.

Information Source(s): Department of Budget and Management, University System of Maryland, Department of Legislative Services

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cm/jr

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