



H.B. 264

124th General Assembly
(As Introduced)

Reps. Oakar, Kilbane

BILL SUMMARY

- Requires the Treasurer of State to sell the state's right to receive tobacco settlement payments for the ten-year period beginning July 1, 2002, and ending June 30, 2012.
- Allocates the proceeds of the sale among the funds established to receive tobacco settlement revenue and also to higher education and budgetary deficiency purposes.

CONTENT AND OPERATION

Sale of the state's right to receive tobacco settlement payments

Current law outlines the purposes for which moneys the state receives from the tobacco master settlement agreement must be used. The moneys are required to be deposited in various state funds, including the Tobacco Use Prevention and Cessation Trust Fund, the Southern Ohio Agricultural and Community Development Trust Fund, Ohio's Public Health Priorities Trust Fund, the Biomedical Research and Technology Transfer Trust Fund, the Education Facilities Trust Fund, the Education Facilities Endowment Fund, and the Education Technology Trust Fund.

The bill directs the Treasurer of State to sell the state's right to receive tobacco settlement payments for the ten-year period beginning July 1, 2002, and ending June 30, 2012, for a lump sum to be paid in cash. The proceeds of the sale are required to be distributed as follows:

(1) \$150 million is to be credited to the General Revenue Fund (GRF), to be used to restore funding to the GRF appropriation items for the Board of Regents to the levels contained in the "As Introduced" version of H.B. 94 of the 124th General Assembly (sec. 183.02(C)(1); Section 3). If \$150 million is not

enough to restore all the line items, the Director of Budget and Management must allocate the money proportionately.

(2) \$1,500,696,902 is to be credited to the Education Facilities Trust Fund and \$39,008,461 to the Education Facilities Endowment Fund (sec. 183.02(C)(2) and (C)(3));

(3) \$450 million is to be credited to the General Budgetary Deficiencies Fund, which the bill creates in the state treasury to meet the budgetary needs of the state as the General Assembly determines. Interest earnings on the fund are to be credited to it (sec. 183.02(C)(4)).

(4) A percentage of the remaining sale proceeds is to be allocated to each of the other five tobacco settlement trust funds that would receive revenue during the 2002-2012 period under existing law. The exact dollar amount that each fund will receive cannot be determined until the sale of the payment rights actually occurs. The percentages are:

(a) Tobacco Use Prevention and Cessation Trust Fund--46.2%;

(b) Southern Ohio Agricultural and Community Development Trust Fund--9.7%;

(c) Ohio's Public Health Priorities Trust Fund--11.7%;

(d) Biomedical Research and Technology Transfer Trust Fund--23.3%; and

(e) Education Technology Trust Fund--9.1% (sec. 183.02(D)).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	05-17-01	p. 441

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