

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Christina Beisel, JBC Staff
DATE April 26, 2018
SUBJECT Tobacco Master Settlement Agreement

In March, the Office of the Attorney General reached a settlement with Participating Manufacturers regarding payment disputes under the 1998 Tobacco Master Settlement Agreement (MSA). The Settlement resolves disputed payments for CYs 2004 through 2017. For budget purposes, this has three components:

- 1 A one-time payment of approximately **\$111.3 million**, which will be credited to the General Fund.
- 2 A decrease of approximately **\$18.0 million** to the 2018 MSA annual payment. These funds are credited to the Tobacco Litigation Settlement Cash Fund, where they are distributed via statutory formula.
- 3 A balance of approximately **\$93.3 million**, if the Committee chooses to restore \$18.0 million to programs which receive an allocation from the annual payment.

Total payment	\$111.3
Amount needed to restore program allocations	(18.0)
Balance remaining	\$93.3