

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4428-02  
Bill No.: HCS for HB 1534  
Subject: Health Care; Health, Public; Science and Technology; Tobacco Products  
Type: Original  
Date: March 21, 2006

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**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2007</b> | <b>FY 2008</b> | <b>FY 2009</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2007</b> | <b>FY 2008</b> | <b>FY 2009</b> |
| Life Sciences<br>Research Trust<br>Fund*                              |                |                |                |
|   |                |                |                |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

\*Unknown income and expenses would net to \$0.

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2007    | FY 2008    | FY 2009    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON LOCAL FUNDS |            |            |            |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED                       | FY 2007    | FY 2008    | FY 2009    |
| <b>Local Government</b>             | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of State Treasurer**, the **University of Missouri** and the **Coordinating Board for Higher Education** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal would not fiscally impact the operations of the DOH. DOH states if a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal could be absorbed with existing resources. AGO states since the AGO is responsible for defending such legislation in constitutionality claims, AGO assumes that the nature of this provision could create a fiscal impact. As a result, AGO assumes costs are unknown, but under \$100,000.

**Oversight** assumes, because the potential for litigation is speculative, the AGO may or may not incur costs related to this proposal. Oversight assumes if a fiscal impact were to result, the AGO may request funds to through the appropriations process.

ASSUMPTION (continued)

Officials from the **Office of Administration–Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to BAP. BAP assume this proposal, as written, will not impact the existing distribution of tobacco funds. BAP assumes if the intent is to add this to the existing distribution of settlement funds, there would be an impact to General Revenue of approximately \$2,000,000 annually.

**Oversight** assumes an unknown amount will be deposited into the Life Sciences Research Trust Fund and that the amount deposited will be expended. Therefore, Oversight is showing a zero balance in the fund.

|   |                     |         |         |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2007<br>(10 Mo.) | FY 2008 | FY 2009 |
|---|---------------------|---------|---------|

**LIFE SCIENCES RESEARCH  
TRUST FUND**

Income - Office of Administration–Life  
Sciences Research Board

|                            |         |         |         |
|----------------------------|---------|---------|---------|
| Master Settlement Receipts | Unknown | Unknown | Unknown |
|----------------------------|---------|---------|---------|

Costs - Office of Administration–Life  
Sciences Research Board

|                        |                  |                  |                  |
|------------------------|------------------|------------------|------------------|
| Life sciences projects | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|------------------------|------------------|------------------|------------------|

**ESTIMATED NET EFFECT ON LIFE  
SCIENCES RESEARCH TRUST  
FUND**

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| <u><b>\$0</b></u> | <u><b>\$0</b></u> | <u><b>\$0</b></u> |
|-------------------|-------------------|-------------------|

|   |                     |         |         |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2007<br>(10 Mo.) | FY 2008 | FY 2009 |
|---|---------------------|---------|---------|

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| <u><b>\$0</b></u> | <u><b>\$0</b></u> | <u><b>\$0</b></u> |
|-------------------|-------------------|-------------------|

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.


## DESCRIPTION

This proposal requires 25% of the funds received from subsequent participating manufacturers in the Tobacco Settlement Agreement that are deposited into the Life Sciences Research Trust Fund to be expended by the Life Sciences Research Board. The board is required to spend 25% of the moneys in the trust fund for the program that awards grants to establish and expand umbilical cord blood banks. The remaining 75% must fund life science research projects involving the study, use, or therapies involving human stem cells derived from non-embryonic and non-fetal sources.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Office of State Treasurer  
Coordinating Board for Higher Education  
University of Missouri  
Department of Health and Senior Services  
Office of Attorney General  
Office of Administration—  
Division of Budget and Planning



Mickey Wilson, CPA  
Director  
March 21, 2006