House of Representatives

General Assembly

File No. 86

January Session, 2025

Substitute House Bill No. 6974

House of Representatives, March 12, 2025

The Committee on Public Health reported through REP. MCCARTHY VAHEY of the 133rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE USE OF FUNDS IN THE TOBACCO SETTLEMENT FUND.

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

Section 1. Subsection (c) of section 4-28e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(c) Commencing with the fiscal year ending June 30, 2023, until June 30, 2024, annual disbursements from the Tobacco Settlement Fund shall be made as follows: (1) To the Tobacco and Health Trust Fund in an amount equal to twelve million dollars; and (2) the remainder to the General Fund. **[**; except that for**]** For the fiscal year ending June 30, 2025, **[**the**]** such annual **[**disbursement from the Tobacco Settlement Fund**]** disbursements shall be made to the General Fund. Commencing with the fiscal year ending June 30, 2026, annual disbursements from said fund shall be made as follows: (A) To the Tobacco and Health Trust Fund in an amount equal to thirty-two million dollars; and (B) the

remainder to the General Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2025*	4-28e(c)

PH *Joint Favorable Subst.*

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 26 $	FY 27 $
Treasurer	GF - Revenue Loss	20,000,000	20,000,000
Treasurer	THTF - Revenue Gain	20,000,000	20,000,000

Note: GF=General Fund; THTF=Tobacco Health Trust Fund

Municipal Impact: None

Explanation

The bill permanently increases (from $12 million to $32 million) the Tobacco Health Trust Fund's share of tobacco settlement funds each fiscal year, thereby also reducing the General Fund's share by an equal amount. Under current law, the General Fund is projected in FY 26 to receive $95.9 million in revenue from the tobacco settlement fund, which is reduced to $75.9 million under the bill.

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 28 $	FY 29 $	FY 30 $
Treasurer	GF - Revenue Loss	20,000,000	20,000,000	20,000,000
Treasurer	ZCW42 - Revenue Gain	20,000,000	20,000,000	20,000,000

Note: GF=General Fund; ZCW42=Tobacco Health Trust Fund

Municipal Impact: None

OLR Bill Analysis

sHB 6974

AN ACT CONCERNING THE USE OF FUNDS IN THE TOBACCO SETTLEMENT FUND.

SUMMARY

Starting in FY 26, this bill increases, from $12 million to $32 million, the amount of Tobacco Settlement Fund proceeds that must be annually directed to the Tobacco and Health Trust Fund rather than to the General Fund. As under existing law, for FY 25, the entire annual disbursement from the Tobacco Settlement Fund goes to the General Fund.

By law, the Tobacco and Health Trust Fund's board must recommend annual disbursements to programs for specified purposes, including tobacco and nicotine use reduction through prevention, education, and cessation. The board's recommendations are submitted to the Appropriations and Public Health committees for approval (CGS § 4-28f).

EFFECTIVE DATE: July 1, 2025

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute
Yea 32 Nay 0 (03/05/2025)