

**Subject** Certain litigation proceeds appropriated for tobacco use prevention and cessation activities

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### Overview

This bill requires money recovered by the state from litigation regarding annual tobacco settlement payments on transferred tobacco brands to be deposited in a dedicated account, and appropriates \$15,000,000 per year, or the amount in the account if the account contains less than \$15,000,000, to the commissioner of health for tobacco use prevention activities.

The litigation at issue relates to the transfer of certain cigarette brands from R.J. Reynolds to ITG Brands. After these brands were transferred, Reynolds did not include sales of the transferred brands in settlement payments made to the state under the terms of the state's 1998 tobacco settlement, and ITG did not make payments to the state on the transferred brands. The state of Minnesota sued Reynolds and ITG to hold Reynolds and ITG liable for payments on the transferred brands.

### Summary

Section	Description
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<b>1</b>	<b>Exceptions.</b>
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Amends § 16A.151, subd. 2. Section 16A.151, subdivision 1, requires money recovered by the state in litigation or a settlement to be deposited in the general fund, and subdivision 2 establishes exceptions to this rule. A new paragraph (g) in subdivision 2 establishes an additional exception, requiring money the state receives from litigation regarding annual settlement payments on transferred tobacco brands to be deposited in a new tobacco use prevention account.

Makes this section effective the day following final enactment and applicable to settlements reached or judgments entered on or after that date.

Section	Description
2	<p data-bbox="318 264 1081 296"><b>Tobacco use prevention account; establishment and uses.</b></p> <p data-bbox="318 310 1377 422">Adds § 144.398. Establishes a tobacco use prevention account and annually appropriates money from that account to the commissioner of health for tobacco use prevention and cessation activities.</p> <p data-bbox="367 457 1354 569"><b>Subd. 1. Definitions.</b> Defines the following terms for this section: electronic delivery device, litigation regarding annual tobacco settlement payments on transferred tobacco brands, and tobacco.</p> <p data-bbox="367 604 1406 758"><b>Subd. 2. Account created.</b> Creates a tobacco use prevention account in the special revenue fund, and directs the commissioner of management and budget to deposit into the account all money recovered by the state from litigation regarding annual tobacco settlement payments on transferred tobacco brands.</p> <p data-bbox="367 793 1425 1062"><b>Subd. 3. Uses of money in account.</b> Appropriates \$15,000,000 each fiscal year from the tobacco use prevention account to the commissioner of health for the listed tobacco use prevention and cessation activities. If the account contains less than \$15,000,000 on July 1, appropriates the amount in the account on that date to the commissioner. Requires the commissioner to prioritize preventing youth use of tobacco and electronic delivery devices, promote racial and health equity, and use evidence-based strategies or those based on promising practices.</p> <p data-bbox="318 1098 1354 1167">Makes this section effective the day following final enactment and applicable to settlements reached or judgments entered on or after that date.</p>



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