

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2018 REGULAR SESSION**

MEASURE

2018 BR NUMBER **1341**

HOUSE BILL NUMBER **280**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to drug treatment and prevention and making an appropriation therefor.**

SPONSOR **Representative Wells**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY TBD OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2017-2018	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		General: (Indeterminable) Restricted: Indeterminable	General: (Indeterminable) Restricted: Indeterminable	General Fund: (Indeterminable) Restricted: Indeterminable
EXPENDITURES		General: Indeterminable Restricted: (Indeterminable)	General: Indeterminable Restricted: (Indeterminable)	General: Indeterminable Restricted: (Indeterminable)
NET EFFECT		\$0	\$0	\$0

() indicates a decrease/negative

MEASURE'S PURPOSE: The measure creates a restricted fund and an oversight committee for the administration of an addiction prevention, recovery, and enforcement appropriation to combat the opioid epidemic in Kentucky.

PROVISIONS/MECHANICS: Section 1 creates a new section of KRS 222 to establish an addiction prevention, recovery, and enforcement restricted fund to be administered and managed by a newly established committee. The bill outlines committee members to be the Attorney General, the Secretary of Health and Family Services, a law enforcement representative, a representative of the drug treatment community, and a person representing Kentuckians who have lost family members to overdoses. The bill includes the Speaker of the House and the President of the Senate as ex officio, nonvoting, advisory members. The bill outlines the receipt of settlement revenues from opioid-related litigation and restricts how those revenues can be spent. Lastly, the bill establishes an annual reporting requirement for all monies received and spent by the fund.

FISCAL EXPLANATION: The fiscal impact of HB 280 nets to zero.

HB 280 restricts revenues received from litigation by the Attorney General for cases related to the opioid epidemic and requires the funds be deposited in the addiction prevention, recovery, and enforcement restricted fund. The fund may only be used for addiction treatment services, addiction prevention services, law enforcement services, and other programs addressing Kentucky's drug epidemic. HB 280 does not specify which state agency will be administratively associated with the newly established restricted fund. HB 280 does not outline whether members of the committee receive a per diem or any other compensation for their services, such as reimbursement of travel costs or meals.

While the amount of revenues received in opioid related litigation settlements is unknown, HB 280 would not change the amount of revenues received by opioid related litigation settlements. HB 280 does affect where those settlement revenues would be deposited. Under current law, any opioid related settlement revenues would be deposited in the General Fund to be appropriated by the General Assembly. Under HB 280, revenues received from opioid related settlements are deposited in the addiction prevention, recovery, and enforcement restricted fund and are appropriated for specific purposes.

HB 280 would have no net effect on expenditures. The state will spend the settlement revenues regardless of whether the funds are deposited in the General Fund or a Restricted Fund. Under current law, litigation settlement revenues deposited in the General Fund cannot be spent until they have been appropriated by the General Assembly. Under the bill, the opioid related litigation settlement revenues would be automatically appropriated from the established fund when they are received.

DATA SOURCE(S): LRC-Office of Budget Review Staff

PREPARER: Nick Peak **NOTE NUMBER:** 84 **REVIEW:** JAB **DATE:** 2/8/2018