

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2021 REGULAR SESSION**

MEASURE

2021 BR NUMBER 1803

HOUSE BILL NUMBER 427 HCS1

TITLE AN ACT relating to the Kentucky Opioid Abatement Advisory Commission, making an appropriation therefor, and declaring an emergency.

SPONSOR Representative Danny Bentley

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Attorney General

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Opioid Abatement Trust Fund

FISCAL ESTIMATES	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES	GF: (Indeterminable) RF: Indeterminable	GF: (Indeterminable) RF: Indeterminable	GF: (Indeterminable) RF: Indeterminable
EXPENDITURES	RF: Indeterminable	RF: Indeterminable	RF: Indeterminable
NET EFFECT	GF: (Indeterminable) RF: 0	GF: (Indeterminable) RF: 0	GF: (Indeterminable) RF: 0

() indicates a decrease/negative

PURPOSE OF MEASURE: Section 1 of HB 427 HCS1 establishes the Kentucky Opioid Advisory Commission, outlines membership of the Commission, and assigns responsibilities to the Commission.

Section 2 of HB 427 HCS1 establishes the Opioid Abatement Trust Fund, identifies sources of revenue for the fund, and identifies appropriate uses and distribution of settlement dollars from cases against specified entities.

FISCAL EXPLANATION: HB 427 HCS1 would place half of the proceeds received from settlements and judgements in the newly created Opioid Abatement Trust Fund. The other half of the proceeds would be allocated to local governments based on an agreement, and if no agreement is reached, the proceeds would be assigned to a trustee appointed jointly by the Kentucky Association of Counties and the Kentucky League of Cities to be distributed to local governments.

The funds in the Opioid Abatement Trust Fund and the funds allocated to local governments or assigned to the trustee for the local governments would be limited by various provisions of HB 427 HCS1. The Opioid Abatement Trust Fund could be used to reimburse the Attorney General's cost of litigation, to pay for costs to administer the newly created Kentucky Opioid Advisory Commission, and for the Commission to distribute to programs and projects that fit the criteria outlined in Section 1, Subsection (5) of the bill. Any funds allocated to local governments or assigned to the trustee for local governments shall be distributed for programs and projects that fit the criteria outlined in Section 1, Subsection (5) of the bill.

The overall impact of the bill is indeterminable. General Fund revenues would decrease by an indeterminable amount, as proceeds from the settlements or judgements identified in the bill would no longer be placed in the General Fund Surplus Account under KRS 48.005(2)(b) and (4), since the bill creates a trust and agency account for any proceeds from settlements or judgements. Restricted Fund revenues would increase by an indeterminable amount, as half of the proceeds from these judgements and settlements would now go to the newly created Opioid Abatement Trust Fund. Restricted Fund expenditures would increase by an indeterminable amount for the costs of litigation, the administrative costs of the Commission, and the distribution of proceeds received from the judgements and settlements. The net effect for Restricted Funds would be \$0, as all Restricted Funds received would be dedicated to costs of litigation, administrative costs, or distributed to the programs identified in Section 1, Subsection (5) of the bill.

DATA SOURCE(S): LRC Staff

PREPARER: Nick Peak NOTE NUMBER: 55 REVIEW: JAB DATE: 2/23/2021