**Legal Title**
Tobacco Settlement Fund

**Legal Citation/Authority**
Chapter 171, Statutes of 2001
Health & Safety Code section 104896 - 104897

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<td>GAAP Basis</td>
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**Purpose**
Money deposited from the Master Settlement Agreement of 1998 will be used for public health purpose, including: health care expansions in the Medi-Cal program, Healthy Families program, health care education and outreach and other programs established to assist in the reduction of tobacco usage in California.

**Administering Agency/Organization Code**
Department of Public Health/Org 4265

**Major Revenue Source**
In the 2001-02 fiscal year, $401,992,000 of the State's share of funds received pursuant to the Master Settlement Agreement of 1998 will be deposited into this fund. Except as provided in Government Code Section 63049 et seq., commencing July 1, 2002, the total amount of the state's share of funds received per Master Settlement Agreement will be deposited into this fund. As a loan to cover appropriations from the fund when money from the Master Settlement Agreement have not been received by the state, there will be an annual transfer from the General Fund to this fund in an amount not to exceed $250,000,000. The General Fund loan will be repaid on or before June 30 of each year from the funds received pursuant to the Master Settlement Agreement.

**Disposition of Fund (upon abolishment)**
Pursuant to Government Code section 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.

**Appropriation Authority**
Annual appropriation by the Legislature.

**State Appropriations Limit**
Always Excluded –Revenues in the fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from penalties. (Note: The initial loan from the General Fund is for cash flow purposes.)

**Comments/Historical Information**
This fund was originally administratively created per Government Code section 13306(a). Original Administrative Organization Code 4260 was changed to 4265 due to the Department of Health Services
splitting into two departments effective July 2007 according to Chapter 241, Statutes of 2006, SB162.