

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

MEASURE

2018 BR NUMBER **0867**

HOUSE BILL NUMBER **219**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

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

SPONSOR **Representative Keene**

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 addiction prevention, recovery, and law enforcement services to combat the drug and addiction 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 identifies 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 committee includes the Speaker of the House and the President of the Senate as ex officio, nonvoting, advisory members. The bill outlines committee member terms, appointment procedures, meeting frequency, and voting procedures. The bill outlines the receipt of fines and settlements revenues related to the drug and addiction

epidemic 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 219 nets to zero.

HB 219 restricts revenues from any source related to Kentucky's drug 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 219 does not specify which state agency will be administratively associated with the newly established restricted fund. HB 219 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 litigation fines and settlements related to the drug epidemic is unknown, HB 219 would not change the amount of revenues received from fines and settlements related to the drug epidemic. HB 219 does affect where those fine and settlement revenues would be deposited. Under current law, drug epidemic related revenues would be deposited in the General Fund to be appropriated by the General Assembly. Under HB 219, revenues received from settlements related to the drug epidemic are deposited in the addiction prevention, recovery, and enforcement restricted fund and are appropriated for specific purposes.

HB 219 would have no net effect on expenditures. The state will spend revenues from fines and settlements from litigation related to the drug epidemic regardless of whether the funds are deposited in the General Fund or a Restricted Fund. Under current law, revenues from fines and settlements deposited in the General Fund cannot be spent until they have been appropriated by the General Assembly. Under the bill, fine and settlement revenues related to the drug epidemic 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:** 67 **REVIEW:** JAB **DATE:** 3/2/2018