

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 929

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MARCH 16, 2023

#### SUMMARY

- Synopsis:** Increases amount of cigarette and other tobacco products tax revenues provided to New Jersey Commission on Cancer Research to \$10 million; establishes dedicated, non-lapsing Cancer Research Fund.
- Type of Impact:** No State impact, shift of cigarette and other tobacco product tax revenue from State General Fund purposes to dedicated purposes; Cancer Research Fund.
- Agencies Affected:** Department of Health, Department of the Treasury.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase – Cancer Research Fund</b>	\$9 million
<b>State Expenditure Decrease – General Fund</b>	\$9 million

- The Office of Legislative Services (OLS) asserts that this legislation will have no overall fiscal impact on the State. The legislation does not alter the total amount of revenue collected or expended from the State’s cigarette and other tobacco product tax. Rather, the bill shifts \$9 million of that revenue used for General Fund purposes to statutorily, dedicated purposes, specifically the Cancer Research Fund.
- The OLS notes that any shift in cigarette and other tobacco product tax revenue from the General Fund to dedicated purposes may affect the State’s ability to maintain funding levels for programs supported under the General Fund. In FY 2023, these revenue sources are projected to provide \$140 million to the General Fund. Significantly, the FY 2023 General Fund amount includes approximately \$80 million that, up until FY 2022, the State utilized for debt service payments. The corresponding bonds were defeased in FY 2022.

## **BILL DESCRIPTION**

This bill increases the amount of cigarette and other tobacco products tax revenues provided to the New Jersey Commission on Cancer Research to \$10 million. The bill also establishes a dedicated, non-lapsing Cancer Research Fund within the Department of the Treasury. Moneys deposited in the fund, and any interest earned thereon, are to be used exclusively for providing grants for cancer research projects authorized and approved by the commission, with at least \$5 million to be used to fund general cancer research and at least \$5 million to be used to fund pediatric cancer research.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS asserts that this legislation will have no overall fiscal impact on the State. The legislation does not alter the total amount of revenue collected or expended from the State's cigarette and other tobacco product tax. Rather, the bill shifts \$9 million of that revenue used for General Fund purposes to statutorily, dedicated purposes, specifically the dedicated, non-lapsing Cancer Research Fund, as established under the bill to replace the existing lapsing Cancer Research Fund. The Cancer Research Fund supports the work of the New Jersey Commission on Cancer Research, which promotes research in New Jersey into the causes, prevention, treatment, and palliation of cancer and serves as a resource to providers and consumers of cancer services.

Statutorily, the existing Cancer Research Fund receives \$1 million in cigarette and other tobacco product tax revenue annually. Under the bill, the newly established Cancer Research Fund is to receive \$10 million in that revenue annually, an increase of \$9 million. Cigarette and other tobacco product tax revenue, less dedicated funding, is used for General Fund purposes.

In recent years, pursuant to the Appropriations Act, the \$1.0 million statutory allocation of cigarette and other tobacco product tax revenue to the Cancer Research Fund has been transferred to the General Fund. The Appropriations Act then provides the New Jersey Commission on Cancer Research funding via a budget line. Despite the statutory requirement, in FY 2022 and FY 2023, the commission was appropriated \$4.0 million in funding. Under the FY 2022 and FY 2023 funding levels, the shift of funds under the bill from General Fund purposes to dedicated purposes is decreased from \$9.0 million to \$6.0 million.

The OLS notes that any shift in cigarette and other tobacco product tax revenue from the General Fund to dedicated purposes may affect the State's ability to maintain funding levels for programs supported under the General Fund. In FY 2023, these revenue sources are projected to provide \$401.5 million in dedicated funding, largely to the Health Care Subsidy Fund and for anti-smoking initiatives, and \$140 million to the General Fund. Significantly, the FY 2023 General Fund amount includes approximately \$80 million that, up until FY 2022, the State utilized for debt service payments. The corresponding bonds were defeased in FY 2022.

*Section: Human Services*

*Analyst: Sarah Schmidt  
Lead Research Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).