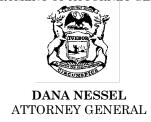
## STATE OF MICHIGAN DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30754 Lansing, Michigan 48909

April 23, 2020

Honorable Gretchen Whitmer Governor George W. Romney Building 111 South Capitol Avenue Lansing, MI 48909 Honorable Lee Chatfield Speaker of the House Room 166, Capitol Lansing, MI 48909

Honorable Mike Shirkey Senate Majority Leader Room 106, Capitol Lansing, MI 48909

Re: Tobacco Master Settlement Agreement Payment – 2020

Dear Governor Whitmer, Senator Shirkey, and House Speaker Chatfield:

In April 2020, the State of Michigan received annual payments totaling \$278,390,142.77 pursuant to the terms of the tobacco Master Settlement Agreement ("MSA"). This figure represents a combined total of the amounts received by the Michigan Department of Treasury Receipts Processing Division and the Trustee for the Michigan Tobacco Settlement Finance Authority ("MTSFA"). 1

In 1995, the State of Michigan and dozens of other states filed landmark lawsuits against the major domestic tobacco companies, challenging decades of allegedly deceitful advertising and marketing of tobacco. In November 1998, the Attorneys General of 46 states, the District of Columbia, the Commonwealth of Puerto Rico and four territories entered into the MSA with the largest domestic cigarette manufacturers, called the Original Participating Manufacturers ("OPMs"). In return for a release by the claims by the Settling States, the OPMs agreed to: (1) make certain settlement payments to the Settling States, including annual payments in perpetuity; (2) fund a national foundation devoted to educating the public about the dangers of tobacco use; and (3) adhere to certain restrictions of their advertising, marketing, and other practices.

<sup>&</sup>lt;sup>1</sup> MTSFA receives 24.11% of Michigan's annual MSA payment pursuant to MCL 129.261, et seq.

Governor Whitmer, Senator Shirkey, House Speaker Chatfield Page 2 April 23, 2020

Now more than 20 years since its signing, the MSA remains a great success. Cigarette sales nationally have been reduced by more than twenty percent since the agreement went into effect. Moreover, the Participating Manufacturers have paid the MSA Settling States over \$138 billion, of which Michigan has received over \$5.9 billion, since the MSA was adopted.

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Sincerely yours,

Dana Nessel Attorney General

Dana Wessel

## BDD/jak

cc: Chris Kolb, State Budget Director

Mary Ann Cleary, House Fiscal Agency Director Christopher Harkins, Senate Fiscal Agency Director

Hon. Christine Greig, House Minority Leader

Hon. Jim Ananich, Senate Minority Leader

Hon. Shane Hernandez, Chair of the House Appropriations Committee

Hon. Jim Stamas, Chair of the Senate Appropriations Committee