

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



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DANA NESSEL
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April 23, 2021

Honorable Gretchen Whitmer
Governor
George W. Romney Building
111 South Capitol Avenue
Lansing, MI 48909

Honorable Jason Wentworth
Speaker of the House
Room 164, Capitol
Lansing, MI 48909

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

Re: Tobacco Master Settlement Agreement Payment - 2021

Dear Governor Whitmer, Senator Shirkey, and House Jason Wentworth:

In April 2021, the State of Michigan received annual payments totaling \$312,052,474.98 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

¹ MTSFA receives 24.11% of Michigan's annual MSA payment pursuant to MCL 129.261, et seq.

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public about the dangers of tobacco use; and (3) adhere to certain restrictions of their advertising, marketing, and other practices.

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 \$145 billion, of which Michigan has received over \$6.2 billion, since the MSA was adopted.

Sincerely yours,

Dana Nessel
Attorney General

BDD/kaw

cc: Dave Massaron, State Budget Director
Mary Ann Cleary, House Fiscal Agency Director
Christopher Harkins, Senate Fiscal Agency Director
Hon. Donna Lasinski, House Minority Leader
Hon. Jim Ananich, Senate Minority Leader
Hon. Thomas Albert, Chair of the House Appropriations Committee
Hon. Jim Stamas, Chair of the Senate Appropriations Committee