

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30754
LANSING, MICHIGAN 48909

DANA NESSEL
ATTORNEY GENERAL

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.

¹ 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.

Sincerely yours,

A handwritten signature in blue ink that reads "Dana Nessel". The signature is written in a cursive, flowing style.

Dana Nessel
Attorney General

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