

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-SIX

—
S.P. 690 - L.D. 1772

An Act to Establish the Fund for a Healthy Maine Stabilization Fund

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Fund for a Healthy Maine funds are essential for funding tobacco use prevention and treatment, other chronic disease prevention initiatives and health promotion efforts in the State, particularly for the benefit of children and families in the State; and

Whereas, the disputed payments under the tobacco Master Settlement Agreement pursuant to the lawsuit *State of Maine v. Philip Morris, et al.*, Kennebec County Superior Court, Docket No. CV-97-134 that the State expects to receive as early as April 2026 for fiscal year 2026-27 and fiscal year 2027-28 offer an opportunity to eliminate the need for a working capital advance, but the exact arrival date of those payments is uncertain; and

Whereas, in order to help stabilize the Fund for a Healthy Maine, provide support in public health planning and policy making and eliminate reliance on a working capital advance, a stabilization fund must be in place by the start of the fiscal year, which begins July 1, 2026; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 22 MRSA §1511, sub-§6, ¶G, as amended by PL 2017, c. 407, Pt. A, §71, is further amended to read:

G. Substance use disorder prevention and treatment; ~~and~~

Sec. 2. 22 MRSA §1511, sub-§6, ¶H, as amended by PL 2007, c. 539, Pt. III, §3, is further amended to read:

H. Comprehensive school health and nutrition programs, including school-based health centers; and

Sec. 3. 22 MRSA §1511, sub-§6, ¶I is enacted to read:

I. Uses described in section 1513, subsection 3.

Sec. 4. 22 MRSA §1513 is enacted to read:

§1513. Fund for a Healthy Maine Stabilization Fund

1. Stabilization fund established. The Fund for a Healthy Maine Stabilization Fund, referred to in this section as "the stabilization fund," is established as a dedicated, nonlapsing subaccount of the Fund for a Healthy Maine special revenue account.

2. Sources of stabilization fund. The State Controller shall credit to the stabilization fund:

A. All nonparticipating manufacturer adjustments disputed in 2026 and 2027 by the State in settlement of or in relation to the lawsuit *State of Maine v. Philip Morris, et al.*, Kennebec County Superior Court, Docket No. CV-97-134. For the purposes of this subsection, "nonparticipating manufacturer" has the same meaning as in section 1580-L, subsection 1, paragraph D;

B. Ten percent of all nonparticipating manufacturer adjustments disputed in 2028 and thereafter by the State in settlement of or in relation to the lawsuit *State of Maine v. Philip Morris, et al.*, Kennebec County Superior Court, Docket No. CV-97-134; and

C. A proportionate share of interest or other investment income on balances in the Fund for a Healthy Maine, as described by section 1511, subsection 2, paragraph C.

3. Use of funds; priority. Allocations from the stabilization fund must be used for the following purposes and in the following order of priority:

A. First, for Fund for a Healthy Maine program allocations beginning July 1, 2027, up to the amount budgeted to be received pursuant to the Master Settlement Agreement as defined in section 1580-H, subsection 5 before April 30, 2028;

B. Second, if the need for a working capital advance or use of settlement payments pursuant to the Master Settlement Agreement as defined in section 1580-H, subsection 5 in the fiscal year in which the settlement payments are received is not eliminated before April 30, 2028 and funds remain in the stabilization fund in subsequent years, to reduce reliance on these sources until all settlement payments can be allocated to the fiscal year following the year in which the settlement payments are received; and

C. Third, if funds remain following the uses described in paragraphs A and B, for any allowable health promotion purpose described in section 1511, subsection 6 or health-related research and planning activities to supplement and connect current efforts among state agencies and stakeholders.

4. Transfer of funds. If the stabilization fund is eliminated or dissolved for any reason, the State Controller shall transfer the balance of funds back to the Fund for a Healthy Maine established in section 1511.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.