

April 2017 Disbursement of Master Settlement Agreement Annual Payments to New York State

This year's Annual MSA Payments were disbursed to the states on April 19, 2017. Pursuant to NY's 2015 NPM Settlement Agreement with the MSA participating manufacturers (PMs), the PMs are entitled to a credit against their annual payments based on the volume of nontaxed Native American cigarettes sold in the state in each sales year; thus, the PMs are entitled to receive a credit against their 2017 payments for 2015 tribal sales. In the Agreement, the parties agreed to a proxy number of 150 million untaxed packs in each sales year 2011-2014. For 2015 and all years going forward, the parties agreed to retain an independent investigator who would, with input from the state and the PMs, determine the volume of untaxed Native American cigarette sales for each year. **For the 2015 sales year, the independent investigator determined a volume of 175 million packs of untaxed cigarettes Native American cigarettes.**

MSA section IX(c)(1) payment

Based on the determination of 175 million packs of untaxed Native American cigarettes, the PMs receive a credit of 70 cents for each such tribal NPM pack of cigarettes, for a total credit of \$116,730,156.18 against their 2017 section IX(c)(1) payment.

In addition to the credit for 2015 sales, this year the PMs will also receive a credit for tribal sales in 2012. The credits for 2011-2014 were set at a volume of 90 M packs/year, at a credit of 60 cents per pack. Thus, for the 2012 untaxed sales, the PMs are entitled to a credit in the amount of \$87,643,971. The credits for prior years' sales will continue until the 2014 tribal credit is applied to the 2019 payment.

MSA Section IX(c)(2) payment

Section IX(c)(2) payments go solely to the State; these payments began in 2008, to last for 10 years. Thus, this is the last year they will be disbursed. For 2015 sales, the PMs receive a credit of \$13,965,137.09 against their 2017 section IX(c)(2) payments. In addition, for 2012 sales of untaxed Native American cigarettes, the PMs get a credit of \$10,500,089.06 against their 2017 section IX(c)(2) payments.

The breakdown of the payment by county is attached.

**Actual Disbursement
4/19/2017 IX(c)(1) payments**

Actual Disbursement Payment under the Agreement	\$600,529,916.86 Tobacco Master paid on April 19, 2017	Eighteenth Annual Settlement
Entity	Percentage Share	Payment
State of New York	51.176%	\$307,327,190.25
City of New York	26.670%	160,161,328.83
Albany County	0.593%	3,561,142.41
Allegany County	0.107%	642,567.01
Broome	0.446%	2,678,363.43
Cattaraugus	0.179%	1,074,948.55
Cayuga	0.166%	996,879.66
Chautauqua	0.308%	1,849,632.14
Chemung	0.212%	1,273,123.42
Chenango	0.104%	624,551.11
Clinton	0.170%	1,020,900.86
Columbia	0.126%	756,667.70
Cortland	0.100%	600,529.92
Delaware	0.101%	606,535.22
Dutchess	0.500%	3,002,649.58
Erie	2.194%	13,175,626.38
Essex	0.075%	450,397.44
Franklin	0.098%	588,519.32
Fulton	0.121%	726,641.20
Genesee	0.118%	708,625.30
Greene	0.085%	510,450.43
Hamilton	0.013%	78,068.89
Herkimer	0.142%	852,752.48
Jefferson	0.190%	1,141,006.84
Lewis	0.054%	324,286.16
Livingston	0.112%	672,593.51
Madison	0.131%	786,694.19
Monroe	1.536%	9,224,139.52
Montgomery	0.114%	684,604.11
Nassau	2.739%	16,448,514.42
Niagara	0.467%	2,804,474.71
Oneida	0.544%	3,266,882.75
Onondaga	0.972%	5,837,150.79
Ontario	0.181%	1,086,959.15
Orange	0.564%	3,386,988.73
Orleans	0.078%	468,413.34
Oswego	0.239%	1,435,266.50
Otsego	0.122%	732,646.50
Putnam	0.152%	912,805.47
Rensselaer	0.317%	1,903,679.84
Rockland	0.560%	3,362,967.53
St. Lawrence	0.239%	1,435,266.50

Saratoga	0.304%	1,825,610.95
Schenectady	0.319%	1,915,690.43
Schoharie	0.063%	378,333.85
Schuyler	0.038%	228,201.37
Seneca	0.069%	414,365.64
Steuben	0.211%	1,267,118.12
Suffolk	2.673%	16,052,164.68
Sullivan	0.155%	930,821.37
Tioga	0.100%	600,529.92
Tompkins	0.170%	1,020,900.86
Ulster	0.334%	2,005,769.92
Warren	0.113%	678,598.81
Washington	0.113%	678,598.81
Wayne	0.172%	1,032,911.46
Westchester	1.926%	11,566,206.20
Wyoming	0.081%	486,429.23
Yates	0.044%	264,233.16
Total	100.00%	\$600,529,916.86

**Total Disbursement
IX(c)(2) funds
4/19/2017**

Total Disbursement IX(c)(2) funds of the Agreement	\$16,929,005.38 Tobacco Master to be paid on April 19, 20 17	Tenth Payment of Settlement
Entity	Percentage Share	Payment
State of New York	100.000%	\$16,929,005.38
Total	100.00%	