

# MAINE STATE LEGISLATURE

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17  
R.D.S.

L.D. 1887

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DATE: *May 30, 1997*

(Filing No. S-413)

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STATE OF MAINE  
SENATE  
118TH LEGISLATURE  
FIRST SPECIAL SESSION

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SENATE AMENDMENT "C" to HOUSE AMENDMENT "C" to H.P. 1338, L.D. 1887, Bill, "An Act Regarding Health and the Prevention of Smoking"

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Amend the amendment by striking out everything after the title and before the summary and inserting in its place the following:

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'Amend the bill in Part A by striking out all of sections 2, 3, 4, 5, 6 and 7.

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Further amend the bill in Part C by striking out all of section 1 (page 6, lines 9 to 49 and page 7 lines 1 and 2 in L.D.) and inserting in its place the following:

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'Sec. C-1. 22 MRSA §1546 is enacted to read:

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**§1546. Healthy Families Fund**

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**1. Healthy Families Fund established.** The Healthy Families Fund, hereafter referred to in this section as "the fund," is established as part of a program to reduce the use of tobacco products by youths and adults of the State. Expenditures from the fund must be made as provided in this section. The fund is a dedicated fund and may not lapse.

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**2. Transfers to fund.** Beginning November 1, 1997, the Treasurer of State shall transfer to the fund money representing 37 mills per cigarette from the tax levied under Title 36, section 4365.

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**3. Payments from fund.** After depositing funds under subsection 2, the Treasurer of State shall make the following

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payments in the following order:

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A. The Treasurer of State shall deposit into the General Fund the revenues necessary to maintain the level of cigarette tax revenue at the level that was budgeted for the General Fund in fiscal years 1997-98 and 1998-99. Beginning in fiscal year 1999-2000, the Treasurer of State shall transfer to the General Fund the revenues necessary to maintain the level of cigarette tax revenue in the previous year less 3%. The Treasurer of State shall annually review the recommendations of the Consensus Revenue Forecasting Committee to determine whether any change in the reduction rate is required and, if so, shall change the rate accordingly;

B. The Treasurer of State shall transfer to the department for the Tobacco Prevention and Control Program established in section 272 funds sufficient for all allocations from the fund; and

C. The Treasurer of State shall transfer to the Tax Relief Fund for Maine Residents established in Title 5, section 1518, funds sufficient for all allocations from the fund.'

Further amend the bill in Part D by striking out all of sections 1 to 4 and inserting in their place the following:

**Sec. D-1. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1997-98	1998-99
<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		
<b>Bureau of Taxation</b>		
Positions - Legislative Count	(1,000)	(1,000)
Personal Services	\$15,903	\$32,904
All Other	38,920	53,440
Capital Expenditures	10,000	

Provides funds for one Revenue Agent position, effective January 1, 1998, one contract investigator and related administrative expenses to administer and enforce the cigarette tax laws.

# SENATE AMENDMENT

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2	<b>DEPARTMENT OF ADMINISTRATIVE</b>		
	<b>AND FINANCIAL SERVICES</b>		
4	<b>TOTAL</b>	<u>\$64,823</u>	<u>\$86,344</u>

6        **Sec. D-2. Allocation.** The following funds are allocated from  
8        Other Special Revenue to carry out the purposes of this Act.

		<b>1997-98</b>	<b>1998-99</b>
10	<b>ADMINISTRATIVE AND FINANCIAL</b>		
12	<b>SERVICES, DEPARTMENT OF</b>		

14        **Tax Relief Fund for Maine Residents**

16	Unallocated	\$15,584,786	\$28,275,864
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18        Provides funds for the Tax  
20        Relief Fund for Maine  
22        Residents. These funds may  
24        not be utilized for any  
       purpose without specific  
       legislative authorization.

26	<b>DEPARTMENT OF HUMAN SERVICES</b>		
	<b>TOTAL</b>	<u>\$15,584,786</u>	<u>\$28,275,864</u>

28        **HUMAN SERVICES, DEPARTMENT OF**

30        **Bureau of Health**

32	All Other	\$2,500,000	\$2,500,000
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34        Provides funds to support the  
36        Tobacco Prevention and  
38        Control Program.

40	<b>DEPARTMENT OF HUMAN SERVICES</b>		
	<b>TOTAL</b>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

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44	<b>TOTAL</b>		
	<b>ALLOCATIONS</b>	<u>\$18,084,786</u>	<u>\$30,775,864</u>

46        Further amend the bill by relettering or renumbering any  
48        nonconsecutive Part letter or section number to read  
50        consecutively.

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Further amend the bill by inserting at the end before the  
summary the following:

**FISCAL NOTE**

	1997-98	1998-99
<b>APPROPRIATIONS/ALLOCATIONS</b>		
General Fund	\$64,823	\$86,344
Other Funds	18,084,786	30,775,864

**REVENUES**

General Fund	\$384,745	\$654,742
Other Funds	18,105,463	30,811,050

Increasing the cigarette tax effective November 1, 1997 and dedicating all of the net additional cigarette tax revenue to the Healthy Families Fund will increase Other Special revenue by \$18,084,786 in fiscal year 1997-98 and \$30,775,864 in fiscal year 1998-99.

The increase in price affecting the sales tax will increase General Fund revenue by \$384,745 in fiscal year 1997-98 and \$654,742 in fiscal year 1998-99. The corresponding increase in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be \$20,677 and \$35,186, respectively.

The bill as amended provides Other Special Revenue allocations of \$15,584,786 and \$28,275,864 in fiscal years 1997-98 and 1998-99, respectively, for the Tax Relief Fund for Maine Residents.

The bill as amended also includes Other Special Revenue allocations of \$2,500,000, annually, in fiscal years 1997-98 and 1998-99 for the Tobacco Prevention and Control Program.


The Bureau of Taxation will require additional General Fund appropriations of \$64,823 and \$86,344 in fiscal years 1997-98 and 1998-99, respectively, for one Revenue Agent position effective January 1, 1998, one contract investigator and related administrative expenses to administer and enforce the cigarette tax laws.' '

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SUMMARY

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This amendment removes the expansion of the Medicaid program provided for by the bill. It retains the increase in the cigarette tax provided for by the bill, provides \$2,500,000 per fiscal year to fund the Tobacco Prevention and Control Program established in the bill and deposits the balance of the revenue generated by the increase in the cigarette tax to the tax relief fund. The amendment also adds a fiscal note to the bill.

SPONSORED BY:   
(Senator GOLDTHWAIT)

COUNTY: Hancock