

1 HB682
2 152000-1
3 By Representative Hubbard (J) (Constitutional Amendment)
4 RFD: Ways and Means General Fund
5 First Read: 30-APR-13

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8 SYNOPSIS: Under Amendment 856 of the Constitution of
9 Alabama of 1901, funds will be transferred from the
10 Alabama Trust Fund to the State General Fund each
11 year over three fiscal years beginning with the
12 fiscal year ending September 30, 2013, and
13 concluding with the fiscal year ending September
14 30, 2015. The amendment does not require the
15 transferred funds to be repaid. Although Act
16 2013-6, 2013 Regular Session, generally provides
17 for the repayment of the transferred funds, the act
18 does not provide revenue-generating mechanisms to
19 facilitate the repayment.

20 This bill would propose a constitutional
21 amendment to require the repayment of the funds
22 transferred from the Alabama Trust Fund pursuant to
23 Amendment 856 to the Constitution of Alabama of
24 1901, within five years following the fiscal year
25 ending September 30, 2015; to provide the procedure
26 for the repayment of the funds transferred from the
27 Alabama Trust Fund pursuant to Amendment 856 to the

1 Constitution of Alabama of 1901; to increase the
2 tax on cigarettes by an additional five cents on
3 each cigarette; to provide that the proceeds from
4 the tax levied by the state on cigarettes and other
5 appropriations from the Alabama Legislature shall
6 be used to repay the funds transferred from the
7 Alabama Trust Fund pursuant to Amendment 856 to the
8 Constitution of Alabama of 1901; and to create a
9 Medicaid Trust Fund for the deposit of a portion of
10 the proceeds from the tax levied by the state on
11 cigarettes to be used for specified purposes
12 relating to Medicaid.

13
14 A BILL
15 TO BE ENTITLED
16 AN ACT
17

18 To propose a constitutional amendment requiring the
19 repayment of the funds transferred from the Alabama Trust Fund
20 pursuant to Amendment 856 to the Constitution of Alabama of
21 1901, within five years following the fiscal year ending
22 September 30, 2015; to provide the procedure for the repayment
23 of the funds transferred from the Alabama Trust Fund pursuant
24 to Amendment 856 to the Constitution of Alabama of 1901; to
25 increase the tax on cigarettes by an additional five cents on
26 each cigarette; to provide that the proceeds from the tax
27 levied by the state on cigarettes and other appropriations

1 from the Alabama Legislature shall be used to repay the funds
2 transferred from the Alabama Trust Fund pursuant to Amendment
3 856 to the Constitution of Alabama of 1901; and to create the
4 Medicaid Trust Fund for the deposit of a portion of the
5 proceeds from the tax levied by the state on cigarettes to be
6 used for specified purposes relating to Medicaid.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. The following amendment to the
9 Constitution of Alabama of 1901, as amended, is proposed and
10 shall become valid as a part thereof when approved by a
11 majority of the qualified electors voting thereon and in
12 accordance with Sections 284, 285, and 287 of the Constitution
13 of Alabama of 1901, as amended:

14 PROPOSED AMENDMENT

15 (a) The funds transferred from the Alabama Trust
16 Fund pursuant to Amendment 856 to the Constitution of Alabama
17 of 1901 to the State General Fund shall be repaid within five
18 years following the fiscal year ending September 30, 2015.

19 (b) The repayment of the funds shall be as follows:

20 (1) If subsection (d), creating the Medicaid Trust
21 Fund, has become effective, in fiscal year ending September
22 30, 2016, fifty million dollars (\$50,000,000) of the proceeds
23 from the tax collected under subsection (c) shall be
24 distributed to the Medicaid Trust Fund. The remaining portion
25 of the proceeds from the tax collected under subsection (c)
26 shall be deposited into the Alabama Trust Fund.

1 (2) In fiscal year ending September 30, 2017, one
2 hundred million dollars (\$100,000,000) of the proceeds from
3 the tax collected under subsection (c) shall be deposited into
4 the Alabama Trust Fund. The remaining portion of the proceeds
5 from the tax collected under subsection (c) shall be
6 distributed to the Medicaid Agency.

7 (3) In fiscal year ending September 30, 2018, fifty
8 million dollars (\$50,000,000) of the proceeds from the tax
9 collected under subsection (c) shall be deposited into the
10 Alabama Trust Fund. The remaining portion of the proceeds from
11 the tax collected under subsection (c) shall be distributed to
12 the Medicaid Agency.

13 (4) In fiscal year ending September 30, 2019, fifty
14 million dollars (\$50,000,000) of the proceeds from the tax
15 collected under subsection (c) shall be deposited into the
16 Alabama Trust Fund. The remaining portion of the proceeds from
17 the tax collected under subsection (c) shall be distributed to
18 the Medicaid Agency.

19 (5) In fiscal year ending September 30, 2020, the
20 proceeds from the tax collected under subsection (c) shall be
21 used to pay the remaining balance of the funds transferred
22 from the Alabama Trust Fund, with any remaining portion of the
23 proceeds from the tax collected under subsection (c)
24 distributed to the Medicaid Agency.

25 (c) Beginning October 1, 2015, there is levied an
26 additional tax of five cents (\$.05) on each cigarette which
27 shall be collected in the same manner as the tax levied by

1 general law. The proceeds from the additional tax levied by
2 the state on cigarettes shall be used to repay the transferred
3 funds and as otherwise directed under subsection (b). After
4 full repayment of the funds, the additional tax on cigarettes
5 under this subsection shall be distributed to the Medicaid
6 Agency.

7 (d) The Medicaid Trust Fund is hereby created within
8 the State Treasury. The fund shall be administered by the
9 Medicaid Agency for the purpose of assisting any regional care
10 organization established for the delivery of medical services
11 under the Medicaid program in maintaining a restricted reserve
12 of two hundred fifty thousand dollars or an amount equal to 25
13 percent of the regional care organization's total actual or
14 projected average monthly expenditures, whichever is greater.
15 Any remaining funds may be used for the purpose of covering
16 any unfunded liabilities incurred by any regional care
17 organization operating in this state.

18 (e) Subsection (d) shall take effect upon the
19 passage of legislation, prior to the effective date of this
20 act, creating regional care organizations for the delivery of
21 medical services under the Medicaid Program.

22 Section 2. An election upon the proposed amendment
23 shall be held in accordance with Sections 284 and 285 of the
24 Constitution of Alabama of 1901, now appearing as Sections 284
25 and 285 of the Official Recompilation of the Constitution of
26 Alabama of 1901, as amended, and the election laws of this
27 state.

1 Section 3. The appropriate election official shall
2 assign a ballot number for the proposed constitutional
3 amendment on the election ballot and shall set forth the
4 following description of the substance or subject matter of
5 the proposed constitutional amendment:

6 "Proposing an amendment to the Constitution of
7 Alabama of 1901, to require the repayment of the funds
8 transferred from the Alabama Trust Fund pursuant to Amendment
9 856 to the Constitution of Alabama of 1901, within five years
10 following the fiscal year ending September 30, 2015; to
11 provide the procedure for the repayment of the funds
12 transferred from the Alabama Trust Fund pursuant to Amendment
13 856 to the Constitution of Alabama of 1901; to increase the
14 tax on cigarettes by an additional five cents on each
15 cigarette; to provide that the proceeds from the tax levied by
16 the state on cigarettes and other appropriations from the
17 Alabama Legislature shall be used to repay the funds
18 transferred from the Alabama Trust Fund pursuant to Amendment
19 856 to the Constitution of Alabama of 1901; and to create the
20 Medicaid Trust Fund and provide for the deposit of a portion
21 of the proceeds from the tax levied by the state on cigarettes
22 to be used for specified purposes relating to Medicaid.

23 "Proposed by Act _____."

24 This description shall be followed by the following
25 language:

26 "Yes () No ()."