

HOUSE BILL No. 5721

March 14, 2018, Introduced by Rep. Farrington and referred to the Committee on Appropriations.

A bill to amend 1993 PA 327, entitled "Tobacco products tax act," by amending section 12 (MCL 205.432), as amended by 2016 PA 309.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) The proceeds derived from the payment of taxes,
2 fees, and penalties provided for under this act and the license
3 fees received by the department shall be deposited with the state
4 treasurer and disbursed only as provided in this section and
5 section 7(5). However, before a distribution of funds is made under
6 this section, subject to appropriation, the funds described in this
7 section may be used by the department, the attorney general, and
8 the department of state police for enforcement and administration
9 of this act.

10 (2) The tax imposed under section 7(1)(a) shall be disbursed

1 as follows:

2 (a) 94% of the proceeds shall be credited to the state school
3 aid fund established by section 11 of article IX of the state
4 constitution of 1963.

5 (b) 6% of the proceeds shall be credited to the Healthy
6 Michigan fund created under section 5953 of the public health code,
7 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
8 in this subdivision that are used for smoking prevention programs
9 shall be used by the department of health and human services to
10 expand the free smokers quit kit program to include the nicotine
11 patch or nicotine gum.

12 (3) The tax imposed on cigarettes under section 7(1)(b) shall
13 be disbursed as follows:

14 (a) Beginning May 1, 1994 and through June 30, 2004, 5.3% of
15 the proceeds shall be credited to the health and safety fund
16 created in the health and safety fund act, 1987 PA 264, MCL 141.471
17 to 141.479.

18 (b) Beginning July 1, 2004, 6.5% of the proceeds shall be
19 credited to the health and safety fund created in the health and
20 safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

21 (c) Through June 30, 2004, 25.3% of the proceeds shall be
22 credited to the general fund of this state.

23 (d) Beginning July 1, 2004 and through September 30, 2014,
24 24.1% of the proceeds shall be credited to the general fund of this
25 state.

26 (e) 63.4% of the proceeds shall be credited to the state
27 school aid fund established by section 11 of article IX of the

1 state constitution of 1963.

2 (f) 6% of the proceeds shall be credited to the Healthy
3 Michigan fund created under section 5953 of the public health code,
4 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
5 in this subdivision that are used for smoking prevention programs
6 shall be used by the department of health and human services to
7 expand the free smokers quit kit program to include the nicotine
8 patch or nicotine gum.

9 (g) Beginning October 1, 2014, 24.1% of the proceeds shall be
10 disbursed as follows:

11 (i) For the 2014-2015 fiscal year and each subsequent fiscal
12 year, \$3,000,000.00 to the Michigan state capitol historic site
13 fund created in section 7 of the Michigan state capitol historic
14 site act, 2013 PA 240, MCL 4.1947. For the 2015-2016 fiscal year
15 and each subsequent fiscal year, the state treasurer shall adjust
16 the figure described in this subparagraph by an amount determined
17 by the state treasurer at the end of each calendar year to reflect
18 the cumulative annual percentage change in the ~~consumer price~~
19 ~~index.~~ **CONSUMER PRICE INDEX**. Beginning for the 2015-2016 fiscal
20 year and each subsequent fiscal year, if the cumulative annual
21 percentage change in the ~~consumer price index~~ **CONSUMER PRICE INDEX**
22 is negative, then the adjustment for that fiscal year is zero. As
23 used in this subsection, "~~consumer price index~~" **CONSUMER PRICE**
24 **INDEX**" means the most comprehensive index of consumer prices
25 available for this state from the Bureau of Labor Statistics of the
26 United States Department of Labor. From the funds described in this
27 subparagraph, not later than February 1 of each year, the Michigan

1 state capitol commission created in section 5 of the Michigan state
2 capitol historic site act, 2013 PA 240, MCL 4.1945, shall report to
3 the Michigan capitol committee created in section 701 of the
4 legislative council act, 1986 PA 268, MCL 4.1701, and to the
5 chairpersons of the house and senate appropriations committees. The
6 report shall contain all of the following:

7 (A) The proposed maintenance plan for the Michigan State
8 Capitol Historical Site for the immediately following fiscal year.

9 (B) The projected 5-year maintenance plan for the Michigan
10 State Capitol Historical Site for the immediately following 5
11 fiscal years.

12 (C) Projected large-scale projects for the Michigan State
13 Capitol Historical Site that exceed \$1,000,000.00.

14 (ii) The remaining proceeds shall be credited to the ~~general~~
15 ~~fund of this state.~~ **MICHIGAN TRANSPORTATION FUND ESTABLISHED IN**
16 **SECTION 10 OF 1951 PA 51, MCL 247.660.**

17 (4) Beginning August 1, 2002, the tax imposed on cigarettes
18 under section 7(1)(c) shall be disbursed as follows:

19 (a) Through June 30, 2004, 74.2%, and beginning July 1, 2004,
20 9.0% of the proceeds shall be credited to the ~~general fund of this~~
21 ~~state.~~ **MICHIGAN TRANSPORTATION FUND ESTABLISHED IN SECTION 10 OF**
22 **1951 PA 51, MCL 247.660.**

23 (b) Through June 30, 2004, 4.6%, and beginning July 1, 2004,
24 56.3% of the proceeds shall be credited to the state school aid
25 fund established by section 11 of article IX of the state
26 constitution of 1963.

27 (c) 6.0% of the proceeds shall be credited to the Healthy

1 Michigan fund created under section 5953 of the public health code,
2 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
3 in this subdivision that are used for smoking prevention programs
4 shall be used by the department of health and human services to
5 expand the free smokers quit kit program to include the nicotine
6 patch or nicotine gum.

7 (d) Through June 30, 2004, 3.0%, and beginning July 1, 2004,
8 3.7% of the proceeds shall be paid to counties with a 2000
9 population of more than 2,000,000, to be used only for indigent
10 health care.

11 (e) Through June 30, 2004, 12.2%, and beginning July 1, 2004,
12 25.0% of the proceeds shall be credited to the Medicaid benefits
13 trust fund created under section 5 of the Michigan trust fund act,
14 2000 PA 489, MCL 12.255.

15 (5) Beginning August 1, 2002, the tax imposed under section
16 7(1)(f) shall be disbursed as follows:

17 (a) 75.6% of the proceeds shall be credited to the state
18 school aid fund established by section 11 of article IX of the
19 state constitution of 1963.

20 (b) 6.0% of the proceeds shall be credited to the Healthy
21 Michigan fund created under section 5953 of the public health code,
22 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
23 in this subdivision that are used for smoking prevention programs
24 shall be used by the department of health and human services to
25 expand the free smokers quit kit program to include the nicotine
26 patch or nicotine gum.

27 (c) 18.4% of the proceeds shall be credited to the ~~general~~

1 ~~fund of this state.~~**MICHIGAN TRANSPORTATION FUND ESTABLISHED IN**
2 **SECTION 10 OF 1951 PA 51, MCL 247.660.**

3 (6) Beginning August 1, 2002, the tax imposed on cigarettes
4 under section 7(1)(d) shall be disbursed as follows:

5 (a) 94.0% of the proceeds shall be credited to the state
6 school aid fund established by section 11 of article IX of the
7 state constitution of 1963.

8 (b) 6.0% of the proceeds shall be credited to the Healthy
9 Michigan fund created under section 5953 of the public health code,
10 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
11 in this subdivision that are used for smoking prevention programs
12 shall be used by the department of health and human services to
13 expand the free smokers quit kit program to include the nicotine
14 patch or nicotine gum.

15 (7) Beginning July 1, 2004, the tax imposed on cigarettes
16 under section 7(1)(e) shall be disbursed as follows:

17 (a) Beginning July 1, 2004 and through September 30, 2005,
18 100% of the proceeds shall be credited to the Michigan Medicaid
19 benefits trust fund created under section 5 of the Michigan trust
20 fund act, 2000 PA 489, MCL 12.255.

21 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be
22 credited to the Michigan Medicaid benefits trust fund created under
23 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

24 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be
25 credited to the ~~general fund of this state.~~**MICHIGAN TRANSPORTATION**
26 **FUND ESTABLISHED IN SECTION 10 OF 1951 PA 51, MCL 247.660.**

27 (8) Beginning July 1, 2004, the tax imposed under section

1 7(1)(g) shall be disbursed as follows:

2 (a) Beginning July 1, 2004 and through September 30, 2005,
3 100% of the proceeds shall be credited to the Michigan Medicaid
4 benefits trust fund created under section 5 of the Michigan trust
5 fund act, 2000 PA 489, MCL 12.255.

6 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be
7 credited to the Michigan Medicaid benefits trust fund created under
8 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

9 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be
10 credited to the ~~general fund of this state.~~ **MICHIGAN TRANSPORTATION**
11 **FUND ESTABLISHED IN SECTION 10 OF 1951 PA 51, MCL 247.660.**

12 (9) The proceeds of the fees and penalties provided for in
13 this act shall be used for the administration of this act.