HB177

147873-1

By Representative Hubbard (J) (Constitutional Amendment)

RFD: Ways and Means General Fund

First Read: 06-FEB-13
SYNOPSIS: Under Amendment 856 of the Constitution of Alabama of 1901, funds will be transferred from the Alabama Trust Fund to the State General Fund each year over three fiscal years beginning with the fiscal year ending September 30, 2013, and concluding with the fiscal year ending September 30, 2015. The amendment does not require the transferred funds to be repaid.

This bill would propose a constitutional amendment to require the repayment with interest of the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901, within six years following the fiscal year ending September 30, 2015; to provide the procedure for the repayment of the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901; to increase the tax on cigarettes by an additional 50 mills on each cigarette; and to provide that the proceeds from the tax levied by
the state on cigarettes and other appropriations from the Alabama Legislature shall be used to repay the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901.

A BILL

TO BE ENTITLED

AN ACT

To propose a constitutional amendment requiring the repayment with interest of the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901, within six years following the fiscal year ending September 30, 2015; to provide the procedure for the repayment of the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901; to increase the tax on cigarettes by an additional 50 mills on each cigarette; and to provide that the proceeds from the tax levied by the state on cigarettes and other appropriations from the Alabama Legislature shall be used to repay the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

PROPOSED AMENDMENT

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

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

(1) Fifty million dollars ($50,000,000) in fiscal years 2017 and 2018.

(2) One hundred million dollars ($100,000,000) in fiscal years 2019 and 2020.

(3) One hundred fifty million dollars ($150,000,000) in fiscal year 2021.

(4) The remaining balance in fiscal year 2022.

(c) There is levied an additional tax of 50 mills on each cigarette which shall be collected in the same manner as the tax levied by general law. The proceeds from the additional tax levied by the state on cigarettes shall be used to repay the transferred funds. After full repayment of the funds, the additional tax on cigarettes shall be distributed to the Alabama Medicaid Agency.
(d) If full repayment has not been made by fiscal year 2022, an appropriation of any amount not repaid shall be made from the State General Fund for that fiscal year.

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

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

"Proposing an amendment to the Constitution of Alabama of 1901, to require the repayment with interest of the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901 within six years following the fiscal year ending September 30, 2015; to provide the procedure for the repayment of the funds transferred from the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901; to increase the tax on cigarettes by an additional 50 mills on each cigarette; and to provide that the proceeds from the tax levied by the state on cigarettes and other appropriations from the Alabama Legislature shall be used to repay the funds transferred from
the Alabama Trust Fund pursuant to Amendment 856 to the Constitution of Alabama of 1901.

"Proposed by Act ________." This description shall be followed by the following language:

"Yes ( ) No ( )."