

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 52 By Senator Alario**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

FUNDS/FUNDING. Provides that once the balance in the Millennium Trust reaches \$1.38 billion, 100% of the annual Tobacco Settlement Proceeds shall be dedicated to the TOPS program; removes the June 30, 2012, termination date for levying a tax of four-twentieths of one cent per cigarette, making that portion of the tax permanent, and provides for the use of the avails of the tax. (See Act)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Makes technical changes.
2. Removes the termination date of June 30, 2012, from the four-twentieths of one cent per cigarette tax, and provides that the monies collected from this tax will be credited to the Health Excellence Fund.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

Present law creates the Millennium Trust as a special permanent trust in the state treasury to receive certain monies as a result of the Tobacco Master Settlement Agreement executed November 23, 1998, and approved by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of Louisiana; and all dividend and interest income and all realized capital gains on investment of the monies in the Millennium Trust.

Present law provides that beginning Fiscal Year 2002-2003, and each fiscal year thereafter, 75% percent of the total monies received that year shall be allocated as follows:

1. Heath Excellence Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the Heath Excellence Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.
2. Education Excellence Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the Education Excellence Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.
3. TOPS Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the TOPS Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.

Proposed law provides that beginning Fiscal Year 2011-2012 after the balance in the Millennium Trust reaches a total of \$1.38 billion, the monies deposited in and credited to the Millennium Trust received from the Settlement Agreement shall be allocated as follows:

1. Heath Excellence Fund - one-third of all investment earnings on the investment of the Trust.
2. Education Excellence Fund - one-third of all investment earnings on the investment of the Trust.

3. TOPS Fund - 100% of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.

Proposed law provides that upon the effective date of the amendment, the state treasurer shall deposit, transfer, or otherwise credit funds in an amount equal to such Settlement Agreement proceeds deposited in and credited to the Millennium Trust received by the state between April 1, 2011 and the effective date of the amendment to the TOPS Fund.

Present law limits appropriations from the Health Excellence Fund, Education Excellence Fund, and the TOPS Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust, adjusted for inflation, and as recognized by the Revenue Estimating Conference.

Proposed law retains present law limitations on appropriations from the Health Excellence Fund and the Education Excellence Fund relative to interest, dividends, and realized capital gains on investment of the trust.

Proposed law provides that for Fiscal Year 2011-2012, appropriations from the TOPS Fund shall be limited to the annual Settlement Agreement proceeds plus an amount of Settlement Agreement proceeds equal to such proceeds received by the state between April 1, 2011 and the effective date of the Act, as well as the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust.

Proposed law further provides that for Fiscal Year 2012-2013, and each fiscal year thereafter, appropriations from the TOPS Fund shall be limited to the amount of annual Settlement Agreement proceeds credited to and deposited into the TOPS Fund and the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust, adjusted for inflation and as recognized by the Revenue Estimating Conference.

Present law levies a tax on cigarettes at the rate of .36¢ per pack. However, authorization for the levy of a tax of four-twentieths of one cent per cigarette is set to terminate on June 30, 2012.

Proposed law retains present law but removes the June 30, 2012, termination date for levying the tax of four-twentieths of one cent per cigarette, making the levy of this portion of the tax on cigarettes permanent.

Proposed law provides that the revenues collected from the tax of four-twentieths of one cent per cigarette will be deposited in and credited to the Health Excellence Fund.

Sections 1 and 2 of the Act takes effect and becomes operative if the amendment of Article VII, Section 10.8 of the Constitution of Louisiana contained in the Act which originated as Senate Bill No. 53 of the 2011 Regular Session of the Legislature is adopted at the statewide election to be held on October 22, 2011, and at the same time as such proposed amendment becomes effective. Sections 3 and 4 of the Act, which are the effective date provisions, become effective on July 1, 2011.

(Amends R.S. 39:98.1(A)(3), (B), (C), and (D) and 98.3(A), and Section 4 of Act 32 of 2000 R.S., as amended by Act 21 of 2002 R.S.)

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