

# HOUSE BILL No. 6007

May 15, 2018, Introduced by Rep. Lower and referred to the Committee on Oversight.

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  
11 as follows:

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

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

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

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

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

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

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

25 (e) 63.4% of the proceeds shall be credited to the state  
26 school aid fund established by section 11 of article IX of the  
27 state constitution of 1963.

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

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

10 (i) For the 2014-2015 fiscal year and each subsequent fiscal  
11 year, \$3,000,000.00 to the Michigan state capitol historic site  
12 fund created in section 7 of the Michigan state capitol historic  
13 site act, 2013 PA 240, MCL 4.1947. For the 2015-2016 fiscal year  
14 and each subsequent fiscal year, the state treasurer shall adjust  
15 the figure described in this subparagraph by an amount determined  
16 by the state treasurer at the end of each calendar year to reflect  
17 the cumulative annual percentage change in the consumer price  
18 index. Beginning for the 2015-2016 fiscal year and each subsequent  
19 fiscal year, if the cumulative annual percentage change in the  
20 consumer price index is negative, then the adjustment for that  
21 fiscal year is zero. As used in this subsection, "consumer price  
22 index" means the most comprehensive index of consumer prices  
23 available for this state from the Bureau of Labor Statistics of the  
24 United States Department of Labor. From the funds described in this  
25 subparagraph, not later than February 1 of each year, the Michigan  
26 state capitol commission created in section 5 of the Michigan state  
27 capitol historic site act, 2013 PA 240, MCL 4.1945, shall report to

1 ~~the Michigan capitol committee created in section 701 of the~~  
2 ~~legislative council act, 1986 PA 268, MCL 4.1701, and to the~~  
3 chairpersons of the house and senate appropriations committees. The  
4 report shall contain all of the following:

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

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

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

12 (ii) The remaining proceeds shall be credited to the general  
13 fund of this state.

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

16 (a) Through June 30, 2004, 74.2%, and beginning July 1, 2004,  
17 9.0% of the proceeds shall be credited to the general fund of this  
18 state.

19 (b) Through June 30, 2004, 4.6%, and beginning July 1, 2004,  
20 56.3% of the proceeds shall be credited to the state school aid  
21 fund established by section 11 of article IX of the state  
22 constitution of 1963.

23 (c) 6.0% of the proceeds shall be credited to the Healthy  
24 Michigan fund created under section 5953 of the public health code,  
25 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
26 in this subdivision that are used for smoking prevention programs  
27 shall be used by the department of health and human services to

1 expand the free smokers quit kit program to include the nicotine  
2 patch or nicotine gum.

3 (d) Through June 30, 2004, 3.0%, and beginning July 1, 2004,  
4 3.7% of the proceeds shall be paid to counties with a 2000  
5 population of more than 2,000,000, to be used only for indigent  
6 health care.

7 (e) Through June 30, 2004, 12.2%, and beginning July 1, 2004,  
8 25.0% of the proceeds shall be credited to the Medicaid benefits  
9 trust fund created under section 5 of the Michigan trust fund act,  
10 2000 PA 489, MCL 12.255.

11 (5) Beginning August 1, 2002, the tax imposed under section  
12 7(1)(f) shall be disbursed as follows:

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

16 (b) 6.0% of the proceeds shall be credited to the Healthy  
17 Michigan fund created under section 5953 of the public health code,  
18 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
19 in this subdivision that are used for smoking prevention programs  
20 shall be used by the department of health and human services to  
21 expand the free smokers quit kit program to include the nicotine  
22 patch or nicotine gum.

23 (c) 18.4% of the proceeds shall be credited to the general  
24 fund of this state.

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

27 (a) 94.0% of the proceeds shall be credited to the state

1 school aid fund established by section 11 of article IX of the  
2 state constitution of 1963.

3 (b) 6.0% of the proceeds shall be credited to the Healthy  
4 Michigan fund created under section 5953 of the public health code,  
5 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
6 in this subdivision that are used for smoking prevention programs  
7 shall be used by the department of health and human services to  
8 expand the free smokers quit kit program to include the nicotine  
9 patch or nicotine gum.

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

12 (a) Beginning July 1, 2004 and through September 30, 2005,  
13 100% of the proceeds shall be credited to the Michigan Medicaid  
14 benefits trust fund created under section 5 of the Michigan trust  
15 fund act, 2000 PA 489, MCL 12.255.

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

19 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be  
20 credited to the general fund of this state.

21 (8) Beginning July 1, 2004, the tax imposed under section  
22 7(1)(g) shall be disbursed as follows:

23 (a) Beginning July 1, 2004 and through September 30, 2005,  
24 100% of the proceeds shall be credited to the Michigan Medicaid  
25 benefits trust fund created under section 5 of the Michigan trust  
26 fund act, 2000 PA 489, MCL 12.255.

27 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be

1 credited to the Michigan Medicaid benefits trust fund created under  
2 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

3 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be  
4 credited to the general fund of this state.

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

7 Enacting section 1. This amendatory act takes effect 90 days  
8 after the date it is enacted into law.

9 Enacting section 2. This amendatory act does not take effect  
10 unless Senate Bill No. \_\_\_\_ or House Bill No. 6006 (request no.  
11 03200'17) of the 99th Legislature is enacted into law.