

STATEMENT OF PURPOSE

RS22944C1

This legislation is a companion bill to H 478, which allows the state to continue providing funding from state lottery proceeds to defray costs of the public schools' bond levy equalization program. Without H 478, there would be an increase in the amount of cigarette tax revenue used to offset payments for the bond levy equalization program.

This legislation revises distributions of cigarette tax revenue in the following ways, beginning in FY 2015.

This legislation provides fixed amounts annually to the Public School Income Fund (\$3,315,000, subject to appropriation) and the County Juvenile Probation Fund (\$3,315,000, subject to appropriation). Also, fixed annual distributions are established for the Permanent Building Fund (\$5,000,000); the Central Cancer Registry Fund (\$120,000), and the Cancer Control Fund (\$300,000).

This legislation also allocates remaining cigarette tax revenue after the Capitol Restoration project bonds have been paid in full. These funds will be used to pay the state match of the annual GARVEE debt service (approximately \$4.7 million per year, through FY 2030). Next, \$5 million will be distributed to the secondary aquifer planning, management and implementation fund for statewide aquifer stabilization. And finally, any remaining cigarette tax monies will go to the State Highway Account to pay for maintenance of the state highway system.

FISCAL NOTE

The fixed annual allocations to the Permanent Building Fund (\$5 million), the Central Cancer Registry Fund (\$120,000), the Cancer Control Fund (\$300,000), the Public School Income Fund (\$3,315,000), and the County Juvenile Probation Fund (\$3,315,000) will provide a consistent amount in order to protect these programs from future revenue declines. After the final bond payment on the Capitol Restoration project in FY 2015, remaining cigarette tax revenues will be deposited annually to the GARVEE Debt Service Fund (\$4.7 million), the Secondary Aquifer Planning, Management and Implementation Fund (\$5 million), and then any remaining amount will go to the State Highway Account (estimated to be \$7 million in FY 2016 and \$8 million in FY 2017).

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