

1 HB177
2 147873-1
3 By Representative Hubbard (J) (Constitutional Amendment)
4 RFD: Ways and Means General Fund
5 First Read: 06-FEB-13

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8 SYNOPSIS: Under Amendment 856 of the Constitution of
9 Alabama of 1901, funds will be transferred from the
10 Alabama Trust Fund to the State General Fund each
11 year over three fiscal years beginning with the
12 fiscal year ending September 30, 2013, and
13 concluding with the fiscal year ending September
14 30, 2015. The amendment does not require the
15 transferred funds to be repaid.

16 This bill would propose a constitutional
17 amendment to require the repayment with interest of
18 the funds transferred from the Alabama Trust Fund
19 pursuant to Amendment 856 to the Constitution of
20 Alabama of 1901, within six years following the
21 fiscal year ending September 30, 2015; to provide
22 the procedure for the repayment of the funds
23 transferred from the Alabama Trust Fund pursuant to
24 Amendment 856 to the Constitution of Alabama of
25 1901; to increase the tax on cigarettes by an
26 additional 50 mills on each cigarette; and to
27 provide that the proceeds from the tax levied by

1 the state on cigarettes and other appropriations
2 from the Alabama Legislature shall be used to repay
3 the funds transferred from the Alabama Trust Fund
4 pursuant to Amendment 856 to the Constitution of
5 Alabama of 1901.

6
7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 To propose a constitutional amendment requiring the
12 repayment with interest of the funds transferred from the
13 Alabama Trust Fund pursuant to Amendment 856 to the
14 Constitution of Alabama of 1901, within six years following
15 the fiscal year ending September 30, 2015; to provide the
16 procedure for the repayment of the funds transferred from the
17 Alabama Trust Fund pursuant to Amendment 856 to the
18 Constitution of Alabama of 1901; to increase the tax on
19 cigarettes by an additional 50 mills on each cigarette; and to
20 provide that the proceeds from the tax levied by the state on
21 cigarettes and other appropriations from the Alabama
22 Legislature shall be used to repay the funds transferred from
23 the Alabama Trust Fund pursuant to Amendment 856 to the
24 Constitution of Alabama of 1901.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. The following amendment to the
27 Constitution of Alabama of 1901, as amended, is proposed and

1 shall become valid as a part thereof when approved by a
2 majority of the qualified electors voting thereon and in
3 accordance with Sections 284, 285, and 287 of the Constitution
4 of Alabama of 1901, as amended:

5 PROPOSED AMENDMENT

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

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

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

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

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

18 (4) The remaining balance in fiscal year 2022.

19 (c) There is levied an additional tax of 50 mills on
20 each cigarette which shall be collected in the same manner as
21 the tax levied by general law. The proceeds from the
22 additional tax levied by the state on cigarettes shall be used
23 to repay the transferred funds. After full repayment of the
24 funds, the additional tax on cigarettes shall be distributed
25 to the Alabama Medicaid Agency.

1 (d) If full repayment has not been made by fiscal
2 year 2022, an appropriation of any amount not repaid shall be
3 made from the State General Fund for that fiscal year.

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

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

15 "Proposing an amendment to the Constitution of
16 Alabama of 1901, to require the repayment with interest of the
17 funds transferred from the Alabama Trust Fund pursuant to
18 Amendment 856 to the Constitution of Alabama of 1901 within
19 six years following the fiscal year ending September 30, 2015;
20 to provide the procedure for the repayment of the funds
21 transferred from the Alabama Trust Fund pursuant to Amendment
22 856 to the Constitution of Alabama of 1901; to increase the
23 tax on cigarettes by an additional 50 mills on each cigarette;
24 and to provide that the proceeds from the tax levied by the
25 state on cigarettes and other appropriations from the Alabama
26 Legislature shall be used to repay the funds transferred from

1 the Alabama Trust Fund pursuant to Amendment 856 to the
2 Constitution of Alabama of 1901.

3 "Proposed by Act _____."

4 This description shall be followed by the following
5 language:

6 "Yes () No ()."