

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB 1452
Version:	ENGR
Request Number:	NA
Author:	Mr. Speaker
Date:	4/11/2018
Impact:	Caps Apportionment to Funds Receiving Cigarette Revenue Increase to General Revenue: \$5,806,301 Decreases to Designated Fund: \$5,806,301

Research Analysis

Engrossed SB1452 establishes annual caps on the amount of state and tribal cigarette tax revenue that may be apportioned to the Health Employee and Economy Improvement Act Revolving Fund, Oklahoma Health Care Authority Medicaid Program Fund and Department of Mental Health and Substance Abuse Services Revolving Fund. The amount apportioned annually to the funds cannot exceed the three year average of the amounts apportioned for fiscal years 2015, 2016 and 2017, which can be reviewed in the following table provided by the Oklahoma Tax Commission. Revenues in excess of the established caps will be deposited into the General Revenue Fund.

Cigarette Tax	FY 15	FY 16	FY 17	3 Year Average	FY 19 Forecast³	Excess to General Revenue Fund
Health Employee and Economy Improvement Act Revolving Fund	\$30,507,406	\$30,207,785	\$29,865,357	\$30,193,516	\$30,541,188	\$347,672
Oklahoma Health Care Authority Medicaid Program Fund	\$36,556,995	\$36,123,362	\$35,713,877	\$36,131,411	\$36,522,054	\$390,643
Mental Health and Substance Abuse Services Revolving Fund	\$3,672,329	\$3,628,768	\$3,587,633	\$3,629,577	\$3,668,819	\$39,242
Cigarette Tax (Tribal)						
Health Employee and Economy Improvement Act Revolving Fund	\$1,996,294	\$2,466,767	\$3,376,855	\$2,613,305	\$4,793,759	\$2,180,454
Oklahoma Health Care Authority Medicaid Program Fund	\$2,387,923	\$2,950,692	\$4,039,319	\$3,125,978	\$5,734,188	\$2,608,210
Mental Health and Substance Abuse Services Revolving Fund	\$239,030	\$295,363	\$404,335	\$312,909	\$573,991	\$261,082
Total						\$5,827,303

Prepared By: Quyen Do

Fiscal Analysis

The measure provides cap on the amounts apportioned to various funds from cigarette tax collections to no more than the three (3) year average of amounts apportioned for fiscal years 2015, 2016 and 2017. Any amounts in excess of the three year average are to be deposited into the General Revenue Fund. FY-19 estimates are based on the February estimates provided by the Tax Commission.

Proposed Apportionment Caps

Fund	FY-15	FY-16	FY-17	Average	FY-19 Estimate	Difference
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40 Mill Cigarette Levy:

Health Employee and Economy Improvement Act Revolving Fund	30,570,407	30,207,785	29,865,357	30,214,516	30,541,188	326,672
Oklahoma Health Care Authority Medicaid Program Fund	36,556,996	36,123,362	35,713,877	36,131,412	36,522,054	390,642
Mental Health and Substance Abuse Services Revolving Fund	3,672,329	3,628,768	3,587,633	3,629,577	3,668,819	39,242

IN-Lieu Payments from Tribes

Health Employee and Economy Improvement Act Revolving Fund	1,996,295	2,466,767	3,376,855	2,613,306	4,793,759	2,180,453
Oklahoma Health Care Authority Medicaid Program Fund	2,387,924	2,950,692	4,039,319	3,125,978	5,734,188	2,608,210
Mental Health and Substance Abuse Services Revolving Fund	239,031	295,363	404,335	312,910	573,991	261,081
TOTAL IN EXCESS OF CAP TO GRF						5,806,301

Prepared By: Mark Tygret

Other Considerations

None.