

# **REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE**

(Battle, Herbkersman, J.H. Neal, Pitts & Whitmire - Staff Contact: Kara Brurok)

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## **HOUSE BILL 4626**

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H. 4626 -- Rep. White: A BILL TO AMEND SECTION 11-11-230, CODE OF LAWS OF SOUTH CAROLINA, 1976, ESTABLISHING THE SMOKING PREVENTION AND CESSATION TRUST FUND AND THE SOUTH CAROLINA MEDICAID FUND TO RECEIVE REVENUES OF THE TWO AND ONE-HALF CENT SURTAX IMPOSED ON THE SALE OF EACH CIGARETTE, SO AS ESTABLISH THE BREAST CANCER AND COLORECTAL CANCER SCREENING AND TREATMENT TRUST FUND TO WHICH MUST BE DEPOSITED ANNUALLY TWO AND ONE-HALF MILLION DOLLARS IN CIGARETTE SURTAX REVENUES WHICH MUST BE USED BY THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL FOR THE SOLE PURPOSE OF ESTABLISHING A STATEWIDE BREAST CANCER AND COLORECTAL CANCER SCREENING AND TREATMENT PROGRAM; AND TO AMEND SECTION 12-21-625, RELATING TO THE IMPOSITION OF THE CIGARETTE SURTAX AND THE USE OF THE REVENUES OF THE TAX, SO AS TO PROVIDE THAT TWO AND ONE-HALF MILLION DOLLARS ANNUALLY OF THE SURTAX REVENUE MUST BE CREDITED TO THE BREAST CANCER AND COLORECTAL CANCER SCREENING AND TREATMENT TRUST FUND AND TO REDUCE FROM FIVE MILLION DOLLARS TO TWO AND ONE-HALF MILLION DOLLARS ANNUALLY THE SURTAX REVENUE THAT MUST BE CREDITED TO THE SMOKING PREVENTION AND CESSATION TRUST FUND.

***Summary of Bill:***

This bill creates the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund and redirects to this new fund half of the annual five million dollars of cigarette surtax revenues that current law assigns to the Smoking Prevention and Cessation Trust Fund. This annual fund deposit of two and one-half million dollars in cigarette surtax revenues must be used by the South Carolina Department of Health and Environmental Control for the sole purpose of establishing a statewide breast cancer and colorectal cancer screening and treatment program.

***Introduced:***

1/18/2012

***Received by Ways and Means:***

1/18/2012

***Estimated Fiscal Impact:***

No impact to the state General Fund business license (cigarette) tax revenue in 12-13. Bill would reduce amount of business license tax revenue from the surtax on cigarettes allocated to the Smoking Prevention and Cessation Trust Fund from \$5 million to \$2.5 million each fiscal year and allow the transfer of \$2.5 million to the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund each fiscal year beginning 12-13.

Adopted

***Subcommittee Recommendation:***

***Full Committee Recommendation:***

***Other Notes/Comments:***

THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SC HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFITS OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUCTED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

# Statement of Estimated State Revenue Impact

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**Date:** February 15, 2012

**Bill Number:** H.B. 4626

**Author:** White

**Committee Requesting Impact:** House Ways & Means Committee

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## Bill Summary

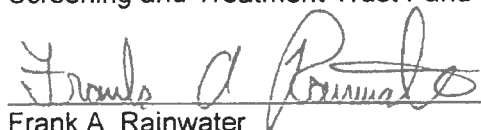
A bill to amend Section 11-11-230, of the Code of Laws of South Carolina, 1976, establishing the Smoking Prevention and Cessation Trust Fund and the South Carolina Medicaid Fund to receive revenues of the two and one-half cent surtax imposed on the sale of each cigarette, so as establish the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund to which must be deposited annually two and one-half million dollars in cigarette surtax revenues which must be used by the South Carolina Department of Health and Environmental Control for the sole purpose of establishing a statewide Breast Cancer and Colorectal Cancer Screening and Treatment Program; and to amend Section 12-21-625, relating to the imposition of the cigarette surtax and the use of the revenues of the tax, so as to provide that two and one-half million dollars annually of the surtax revenue must be credited to the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund and to reduce from five million dollars to two and one-half million dollars annually the surtax revenue that must be credited to the Smoking Prevention and Cessation Trust Fund.

## REVENUE IMPACT <sup>11</sup>

This bill is not expected to affect state General Fund business license (cigarette) tax revenue in FY2012-13. This bill would reduce the amount of business license tax revenue from the surtax on cigarettes allocated to the Smoking Prevention and Cessation Trust Fund from \$5,000,000 to \$2,500,000 each fiscal year, and allow the transfer of \$2,500,000 to the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund each fiscal year beginning in FY2012-13.

## Explanation

This bill would amend Section 11-11-230(A) to reduce the amount that must be transferred annually from the surtax on cigarettes from the Smoking Prevention and Cessation Trust Fund in the State Treasury to the Department of Health and Environmental Control (DHEC) to administer a statewide smoking prevention and cessation program from \$5,000,000 per year to \$2,500,000 per year. This bill would also add Section 11-11-230(A)(2) to create a separate and distinct fund from the general fund styled the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund in the State Treasury. Earnings and interest on the fund must be credited to it and any balance in the fund at the end of the fiscal year carries forward to the succeeding fiscal year. This section would require the trust fund to transfer \$2,500,000 annually to DHEC to administer a statewide breast cancer and colorectal cancer screening and treatment program. The funds must not be used by DHEC for any other purposes except for a statewide breast cancer and colorectal cancer screening and treatment program. The funding mechanism is altered by amending Section 21-21-625(B)(2) to reduce the amount of funds required to be deposited in the Smoking Prevention and Cessation Trust Fund from the surtax on cigarettes from \$5,000,000 to \$2,500,000 each fiscal year. Also Section 12-21-625(B)(2)(b) is added to allow the deposit of \$2,500,000 in the Breast Cancer and Colorectal Cancer Screening and Treatment Trust Fund from the surtax on cigarettes each fiscal year.



Frank A. Rainwater  
Chief Economist

**Analyst:** Martin

<sup>11</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact of Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**South Carolina General Assembly**  
119th Session, 2011-2012

**H. 4626**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. White

Document Path: I:\council\bills\agm\19242htc11.docx

Introduced in the House on January 18, 2012

Currently residing in the House Committee on **Ways and Means**

Summary: Breast Cancer and colorectal cancer screening and treatment trust fund

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
1/18/2012	House	Introduced and read first time ( <a href="#">House Journal-page 8</a> )
1/18/2012	House	Referred to Committee on <b>Ways and Means</b> ( <a href="#">House Journal-page 8</a> )

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**VERSIONS OF THIS BILL**

[1/18/2012](#)

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**A BILL**

TO AMEND SECTION 11-11-230, CODE OF LAWS OF SOUTH CAROLINA, 1976, ESTABLISHING THE SMOKING PREVENTION AND CESSATION TRUST FUND AND THE SOUTH CAROLINA MEDICAID FUND TO RECEIVE REVENUES OF THE TWO AND ONE-HALF CENT SURTAX IMPOSED ON THE SALE OF EACH CIGARETTE, SO AS ESTABLISH THE BREAST CANCER AND COLORECTAL CANCER SCREENING AND TREATMENT TRUST FUND TO WHICH MUST BE DEPOSITED ANNUALLY TWO AND ONE-HALF MILLION DOLLARS IN CIGARETTE SURTAX REVENUES WHICH MUST BE USED BY THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL FOR THE SOLE PURPOSE OF ESTABLISHING A STATEWIDE BREAST CANCER AND COLORECTAL CANCER SCREENING AND TREATMENT PROGRAM; AND TO AMEND SECTION 12-21-625, RELATING TO THE IMPOSITION OF THE CIGARETTE SURTAX AND THE USE OF THE REVENUES OF THE TAX, SO AS TO PROVIDE THAT TWO AND ONE-HALF MILLION DOLLARS ANNUALLY OF THE SURTAX REVENUE MUST BE CREDITED TO THE BREAST CANCER AND COLORECTAL CANCER SCREENING AND TREATMENT TRUST FUND AND TO REDUCE FROM FIVE MILLION DOLLARS TO TWO AND ONE-HALF MILLION DOLLARS ANNUALLY THE SURTAX REVENUE THAT MUST BE CREDITED TO THE SMOKING PREVENTION AND CESSATION TRUST FUND.

Be it enacted by the General Assembly of the State of South Carolina:

1 SECTION 1. Section 11-11-230(A) of the 1976 Code, as added  
2 by Act 170 of 2010, is amended to read:

3  
4 “(A)(1) There is created in the State Treasury the Smoking  
5 Prevention and Cessation Trust Fund. This fund is separate and  
6 distinct from the general fund of the State and all other funds.  
7 Earnings and interest on this fund must be credited to it and any  
8 balance in this fund at the end of a fiscal year carries forward in  
9 the fund in the succeeding fiscal year. The trust fund must transfer  
10 five two and one-half million dollars annually to the Department of  
11 Health and Environmental Control to administer a statewide  
12 smoking prevention and cessation program. The funds must not be  
13 appropriated for any other purpose and the Department of Health  
14 and Environmental Control may not use the funds for any purposes  
15 other than administering a statewide smoking prevention and  
16 cessation program.

17 (2) There is created in the State Treasury the Breast Cancer  
18 and Colorectal Cancer Screening and Treatment Trust Fund. This  
19 fund is separate and distinct from the general fund of the State and  
20 all other funds. Earnings and interest on this fund must be credited  
21 to it and any balance in this fund at the end of a fiscal year carries  
22 forward in the fund in the succeeding fiscal year. The trust fund  
23 must transfer two and one-half million dollars annually to the  
24 Department of Health and Environmental Control to administer a  
25 statewide breast cancer and colorectal cancer screening and  
26 treatment program. The funds must not be appropriated for any  
27 other purpose and the Department of Health and Environmental  
28 Control may not use the funds for any purposes other than  
29 administering a statewide breast cancer and colorectal cancer  
30 screening and treatment program.”

31  
32 SECTION 2. Section 12-21-625(B)(2) of the 1976 Code, as added  
33 by Act 170 of 2010, is amended to read:

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35 “(2)(a) five two and one-half million dollars annually to the  
36 Smoking Prevention and Cessation Trust Fund created pursuant to  
37 Section 11-11-230(A)(1); and

38 (b) two and one-half million dollars annually to the Breast  
39 Cancer and Colorectal Cancer Screening and Treatment Trust  
40 Fund created pursuant to Section 11-11-230(A)(2);”

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42 SECTION 3. This act takes effect July 1, 2012.

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