

## **FINAL BILL ANALYSIS**

**BILL #:** HB 5303

**FINAL HOUSE FLOOR ACTION:**

115 Y's      0 N's

**SPONSOR:** Rep. Hudson

**GOVERNOR'S ACTION:** Approved

**COMPANION BILLS:** N/A

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### **SUMMARY ANALYSIS**

HB 5303 passed the House on May 6, 2011, and subsequently passed the Senate May 6, 2011. The bill was approved by the Governor on May 31, 2011, chapter 2011-98, Laws of Florida, and becomes effective July 1, 2011.

The bill modifies the amount of cigarette surcharge revenues to be transferred from the Agency for Health Care Administration to the Department of Health to fund the biomedical research programs from \$50 million to \$25 million beginning in the 2011-2012 fiscal year.

The bill amends the specific amounts and entities that receive biomedical research funding, beginning in the 2011-2012 fiscal year and subject to an annual appropriation. The bill:

- Decreases the amount of funding provided to the James and Esther King Biomedical Research Program from \$20 million to \$5 million subject to an annual appropriation in the General Appropriations Act;
- Decreases the amount of funding provided to the William G. "Bill" Bankhead, Jr., and David Coley Cancer Research Program from \$20 million to \$5 million subject to an annual appropriation in the General Appropriations Act;
- Decreases the amount of funding provided to the H. Lee Moffitt Cancer Center and Research Institute from \$10 million to \$5 million subject to an annual appropriation in the General Appropriations Act;
- Provides \$5 million for the Sylvester Cancer Center at the University of Miami subject to an annual appropriation in the General Appropriations Act; and
- Provides \$5 million for the University of Florida Shands Cancer Center subject to an annual appropriation in the General Appropriations Act.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

The “Protecting Florida’s Health Act” was passed during the 2009 legislative session. This bill levied a surcharge on the sale, receipt, purchase, possession, consumption, handling, distribution, and use of cigarettes in Florida.<sup>1</sup> The surcharge imposed on a standard 20-cigarette pack is \$1; and a proportionate surcharge is imposed on other sizes and quantities of cigarettes. The revenue produced from the cigarette surcharge is required to be deposited into the Health Care Trust Fund within the Agency for Health Care Administration.

In Fiscal Year 2009-10, s. 215.5602(12), F.S., was created and required 5 percent of the cigarette surcharge revenue to be deposited into the Health Care Trust Fund and reserved for research of tobacco-related or cancer-related illnesses; however the sum of revenue reserved was not to exceed \$50 million. Approximately 2.5 percent, not to exceed \$25 million, of the revenue deposited into the Health Care Trust Fund was required to be transferred to the Biomedical Research Trust Fund within the Department of Health for the James and Esther King Biomedical Research Program.

Currently, s. 215.5602, F.S. provides that beginning in the 2010-2011 fiscal year and thereafter, \$50 million from the revenue deposited into the Health Care Trust Fund within the Agency for Health Care Administration must be reserved for research of tobacco related or cancer related illnesses. Of the revenue deposited into the Health Care Trust Fund, \$50 million must be transferred to the Biomedical Research Trust Fund within the Department of Health. This section of statute provides that subject to annual appropriations in the general appropriations act, \$20 million will be appropriated to the James and Esther King Biomedical Research Program, \$20 million will be appropriated to the Bankhead-Coley Program and \$10 million shall be appropriated to the H. Lee Moffitt Cancer Center and Research Institute.

Specific Appropriation 84 of the General Appropriations Act for Fiscal Year 2010-2011 appropriated nonrecurring General Revenue to the Department of Health to be used for the Sylvester Cancer Center at the University of Miami (\$9.5 million), Shands Cancer Center (\$9.5 million), and the Braman Family Breast Cancer Institute at Sylvester (\$1 million).

House Bill 5303 modifies the amount of cigarette surcharge revenues to be transferred from the Agency for Health Care Administration to the Department of Health to fund the biomedical research programs from \$50 million to \$25 million beginning in the 2011-2012 fiscal year. Additionally, the bill amends the specific amounts and entities that receive biomedical research funding. Subject to an annual appropriation, the James and Esther King Biomedical Research Program will receive \$5 million; the William G. “Bill” Bankhead, Jr., and David Coley Cancer Research Program will receive \$5 million; the H. Lee Moffitt Cancer Center and Research

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<sup>1</sup> s. 210.011(1), F.S

Institute will receive \$5 million; the Sylvester Caner Center at the University of Miami will receive \$5 million; and the University of Florida Shands Cancer Center will receive \$5 million.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

Revenues from the state cigarette surcharge will continue to be received and deposited in the Health Care Trust Fund within the Agency for Health Care Administration.

#### **2. Expenditures:**

Beginning in the 2011-2012 fiscal year, \$25 million will be transferred to the Biomedical Research Trust Fund within the Department of Health and, subject to an annual appropriation, will be distributed to the James and Esther King Biomedical Research Program (\$5 million); the William G. "Bill" Bankhead, Jr., and David Coley Cancer Research Program (\$5 million); the H. Lee Moffitt Cancer Center and Research Institute (\$5 million); the Sylvester Caner Center at the University of Miami (\$5 million); and the University of Florida Shands Cancer Center (\$5 million).

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### **1. Revenues:**

None.

#### **2. Expenditures:**

None.

### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None

### **D. FISCAL COMMENTS:**

None.