

**4th Sub. H.B. 325**  
**PRIMARY CARE NETWORK AMENDMENTS**

Senator **Brian Zehnder** proposes the following amendments:

1. *Page 1, Lines 17 through 21:*

17 program described in this bill; and  
18 ▶ amends the Inpatient Hospital Assessment Act to pay for the cost of the  
19 enhancement waiver program {~~;~~ and} .  
20 {~~→ dedicates a portion of the growth in the state's revenue from alcohol and tobacco~~  
21 ~~taxes to pay for the cost of the enhancement waiver program.~~}

2. *Page 2, Lines 43 through 44:*

43 {~~32B-2-301, as last amended by Laws of Utah 2017, Chapter 159~~}  
44 {~~59-14-204, as last amended by Laws of Utah 2016, Chapter 168~~}

3. *Page 22, Line 675 through Page 26, Line 783:*

675 {~~Section 16. Section 32B-2-301 is amended to read:~~  
676 ~~32B-2-301. State property -- Liquor Control Fund -- Markup Holding Fund.~~  
677 ~~(1) The following are property of the state:~~  
678 ~~(a) the money received in the administration of this title, except as otherwise provided;~~  
679 ~~and~~  
680 ~~(b) property acquired, administered, possessed, or received by the department.~~  
681 ~~(2) (a) There is created an enterprise fund known as the "Liquor Control Fund."~~  
682 ~~(b) Except as provided in Sections 32B-3-205 and 32B-2-304, money received in the~~  
683 ~~administration of this title shall be transferred to the Liquor Control Fund.~~  
684 ~~(3) (a) There is created an enterprise fund known as the "Markup Holding Fund."~~  
685 ~~(b) In accordance with Section 32B-2-304, the State Tax Commission shall deposit~~  
686 ~~revenue remitted to the State Tax Commission from the markup imposed under Section~~  
687 ~~32B-2-304 into the Markup Holding Fund.~~  
688 ~~(c) Money deposited into the Markup Holding Fund may be expended:~~  
689 ~~(i) to the extent appropriated by the Legislature; and~~  
690 ~~(ii) to fund the deposits required by Subsection 32B-2-304(4) and Subsection~~  
691 ~~32B-2-305(4).~~  
692 ~~(4) The department may draw from the Liquor Control Fund only to the extent~~  
693 ~~appropriated by the Legislature or provided for by statute, except that the department may draw~~  
694 ~~by warrant without an appropriation from the Liquor Control Fund for an expenditure that is~~

695 directly incurred by the department:

696 — (a) to purchase an alcoholic product;

697 — (b) to transport an alcoholic product from the supplier to a warehouse of the

698 department; and

699 — (c) for variances related to an alcoholic product.

700 — (5) (a) As used in this Subsection (5), "base budget" means the same as that term is

701 defined in legislative rule.

702 — (b) The department's base budget shall include as an appropriation from the Liquor

703 Control Fund:

704 — (i) credit card related fees paid by the department;

705 — (ii) package agency compensation; and

706 — (iii) the department's costs of shipping and warehousing alcoholic products.

707 — (6) Before the transfer required by Subsection (7), the department may retain each

708 fiscal year from the Liquor Control Fund \$1,000,000 that the department may use for:

709 — (a) capital equipment purchases;

710 — (b) salary increases for department employees;

711 — (c) performance awards for department employees; or

712 — (d) information technology enhancements because of changes or trends in technology.

713 — (7) ~~[The] (a) Except as provided in Subsection (7)(b), the department shall transfer~~

714 ~~annually from the Liquor Control Fund and the State Tax Commission shall transfer annually~~

715 ~~from the Markup Holding Fund to the General Fund a sum equal to the amount of net profit~~

716 ~~earned from the sale of liquor since the preceding transfer of money under this Subsection (7).~~

717 ~~The transfers shall be calculated by no later than September 1 and made by no later than~~

718 ~~September 30 after a fiscal year. The Division of Finance may make year-end closing entries in~~

719 ~~the Liquor Control Fund and the Markup Holding Fund in order to comply with Subsection~~

720 ~~51-5-6(2):~~

721 ~~— (b) Subject to Subsection (7)(c), and in accordance with Subsection 26-36b-208(2)(f);~~

722 ~~for each fiscal year beginning in fiscal year 2019, the department and the Division of Finance~~

723 ~~shall transfer to the Medicaid Expansion Fund, created in Section 26-36b-208, any amount~~

724 ~~described in Subsection (7)(a) in excess of the amount transferred by the department or the~~

725 ~~Division of Finance in fiscal year 2018.~~

726 ~~— (c) The annual transfer to the Medicaid Expansion Fund, described in Subsection~~

727 ~~(7)(b), shall be capped at:~~

728 ~~— (i) for fiscal year 2019, \$1,150,000; and~~

729 ~~— (ii) for a fiscal year beginning after fiscal year 2019, \$2,400,000.~~

730 — (8) (a) By the end of each day, the department shall:

731 — (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and

732 — (ii) report the deposit to the state treasurer.

733 — (b) A commissioner or department employee is not personally liable for a loss caused

734 by the default or failure of a qualified depository.

735 ~~—— (c) Money deposited in a qualified depository is entitled to the same priority of~~  
736 ~~payment as other public funds of the state.~~

737 ~~—— (9) If the cash balance of the Liquor Control Fund is not adequate to cover a warrant~~  
738 ~~drawn against the Liquor Control Fund by the department, the cash resources of the General~~  
739 ~~Fund may be used to the extent necessary. At no time may the fund equity of the Liquor~~  
740 ~~Control Fund fall below zero.~~

741 ~~—— Section 17. Section 59-14-204 is amended to read:~~

742 ~~—— 59-14-204. Tax basis -- Rate -- Future increase -- Cigarette Tax Restricted~~  
743 ~~Account -- Appropriation and expenditure of revenues.~~

744 ~~—— (1) Except for cigarettes described under Subsection 59-14-210(3), there is levied a tax~~  
745 ~~upon the sale, use, storage, or distribution of cigarettes in the state:~~

746 ~~—— (2) The rates of the tax levied under Subsection (1) are, beginning on July 1, 2010:~~

747 ~~—— (a) 8.5 cents on each cigarette, for all cigarettes weighing not more than three pounds~~  
748 ~~per thousand cigarettes; and~~

749 ~~—— (b) 9.963 cents on each cigarette, for all cigarettes weighing in excess of three pounds~~  
750 ~~per thousand cigarettes.~~

751 ~~—— (3) Except as otherwise provided under this chapter, the tax levied under Subsection~~  
752 ~~(1) shall be paid by any person who is the manufacturer, jobber, importer, distributor,~~  
753 ~~wholesaler, retailer, user, or consumer.~~

754 ~~—— (4) The tax rates specified in this section shall be increased by the commission by the~~  
755 ~~same amount as any future reduction in the federal excise tax on cigarettes.~~

756 ~~—— (5) (a) There is created within the General Fund a restricted account known as the~~  
757 ~~"Cigarette Tax Restricted Account."~~

758 ~~—— (b) The Cigarette Tax Restricted Account consists of:~~

759 ~~—— (i) the first \$7,950,000 of the revenues collected from a tax under this section; and~~  
760 ~~—— (ii) any other appropriations the Legislature makes to the Cigarette Tax Restricted~~  
761 ~~Account.~~

762 ~~—— (c) For each fiscal year beginning with fiscal year 2011-12 and subject to appropriation~~  
763 ~~by the Legislature, the Division of Finance shall distribute money from the Cigarette Tax~~  
764 ~~Restricted Account as follows:~~

765 ~~—— (i) \$250,000 to the Department of Health to be expended for a tobacco prevention and~~  
766 ~~control media campaign targeted towards children;~~

767 ~~—— (ii) \$2,900,000 to the Department of Health to be expended for tobacco prevention,~~  
768 ~~reduction, cessation, and control programs;~~

769 ~~—— (iii) \$2,000,000 to the University of Utah Health Sciences Center for the Huntsman~~  
770 ~~Cancer Institute to be expended for cancer research; and~~

771 ~~—— (iv) \$2,800,000 to the University of Utah Health Sciences Center to be expended for~~  
772 ~~medical education at the University of Utah School of Medicine.~~

773 ~~—— (d) In determining how to appropriate revenue deposited into the Cigarette Tax~~  
774 ~~Restricted Account that is not otherwise appropriated under Subsection (5)(c), the Legislature~~

775 shall give particular consideration to enhancing Medicaid provider reimbursement rates and  
776 medical coverage for the uninsured.  
777 ~~—— (6) (a) For each fiscal year beginning with fiscal year 2019, the State Tax Commission~~  
778 ~~shall distribute to the Medicaid Expansion Fund, created in Section 26-36b-208, any revenues~~  
779 ~~collected from a tax under this section in excess of the revenues collected from a tax under this~~  
780 ~~section in fiscal year 2018:~~  
781 ~~—— (b) The distribution in Subsection (6)(a) shall occur after the distributions described in~~  
782 ~~Subsections (5)(b)(i) and (5)(c):~~  
783 Section {~~18~~} 16 . Section 63I-1-226 is amended to read:

4. Page 26, Line 795:

795 Section {~~19~~} 17 . Effective date.

5. Page 26, Line 800:

800 Section {~~20~~} 18 . Coordinating H.B. 325 with H.B. 14 -- Superseding substantive and

6. Page 27, Line 807:

807 Section {~~21~~} 19 . Coordinating H.B. 325 with H.B. 472 -- Substantive and technical

7. Page 28, Line 851:

851 which the programs specified in Subsection (1)(a) and ~~{(c)}~~ (d) are not in effect for the full fiscal

8. Page 32, Line 958:

958 Section {~~22~~} 20 . Coordinating H.B. 325 with S.B. 125 -- Superseding substantive and