

**FILED**

State of Arizona  
House of Representatives  
Forty-second Legislature  
Second Regular Session  
1996

**Jane Dee Hull  
Secretary of State**

CHAPTER 245

**HOUSE BILL 2503**

AN ACT

AMENDING SECTION 36-2921, ARIZONA REVISED STATUTES; RELATING TO ALLOCATION OF TOBACCO TAX MONIES.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-2921, Arizona Revised Statutes, is amended to  
3 read:

4 36-2921. Tobacco tax allocation

5 A. Subject to the availability of monies in the medically needy  
6 account established pursuant to section 42-1241, subsection C, paragraph 3  
7 the administration shall use the monies in the account in the following  
8 order:

9 1. The administration shall withdraw the amount necessary to pay the  
10 state share of costs for providing health care services to any person who is  
11 eligible pursuant to section 36-2901, paragraph 4, subdivisions (a), (c) and  
12 (h), and who becomes eligible for heart, lung, heart-lung, liver or  
13 autologous and allogeneic bone marrow transplants pursuant to section  
14 36-2907, subsection A, paragraph 11, subdivision (d) as determined by the  
15 administrator and to any person who is eligible pursuant to section 36-2901,  
16 paragraph 4, subdivision (b) and who becomes eligible for lung or heart-lung  
17 transplants pursuant to section 36-2907, subsection A, paragraph 11,  
18 subdivision (b), as determined by the administrator.

19 2. Beginning on August 1, 1995 and on the first day of each month  
20 thereafter, the sum of one million two hundred fifty thousand dollars shall  
21 be transferred from the medically needy account to the medically needy and

1 medically indigent program stabilization fund for uses as prescribed in  
2 section 36-2922.

3 3. From and after August 1, 1995 and each year thereafter, the  
4 administration shall transfer not more than fifteen million dollars to the  
5 department of health services to be allocated as follows if the department  
6 awards a contract:

7 ~~Up to five million dollars, but not less than thirty three and~~  
8 ~~thirty four one hundredths per cent~~ ONE-THIRD of the total amount  
9 transferred, for the mental health grant program established pursuant to  
10 section 36-3414.

11 ~~Up to five million dollars, but not less than thirty three and~~  
12 ~~thirty three one hundredths per cent~~ ONE-THIRD of the total amount  
13 transferred, for primary care services established pursuant to section  
14 36-2907.05.

15 ~~Up to five million dollars, but not less than thirty three and~~  
16 ~~thirty three one hundredths per cent~~ ONE-THIRD of the total amount  
17 transferred, for grants to the community health centers established  
18 pursuant to section 36-2907.06.

19 4. From and after August 1, 1995, the administration shall transfer  
20 up to five hundred thousand dollars annually for fiscal years 1995-1996 and  
21 1996-1997 for pilot programs providing detoxification services in counties  
22 having a population of five hundred thousand persons or less according to the  
23 most recent United States decennial census.

24 5. The administration shall transfer up to two hundred fifty thousand  
25 dollars annually for fiscal years 1995-1996, 1996-1997 and 1997-1998 for  
26 telemedicine pilot programs designed to facilitate the provision of medical  
27 services to persons living in medically underserved areas as defined in  
28 section 36-2352.

29 6. THE ADMINISTRATION SHALL TRANSFER UP TO ONE HUNDRED FIFTY THOUSAND  
30 DOLLARS ANNUALLY BEGINNING FISCAL YEAR 1996-1997 FOR CONTRACTS BY THE  
31 DEPARTMENT OF HEALTH SERVICES WITH NONPROFIT ORGANIZATIONS THAT PRIMARILY  
32 ASSIST IN THE MANAGEMENT OF END STAGE RENAL DISEASE AND RELATED PROBLEMS.  
33 CONTRACTS SHALL NOT INCLUDE PAYMENTS FOR TRANSPORTATION OF PATIENTS FOR  
34 DIALYSIS.

35 B. The department of health services shall establish an accounting  
36 procedure to ensure that all funds transferred pursuant to this section are  
37 maintained separately from any other funds.

38 C. The administration shall annually withdraw monies from the  
39 medically needy account in the amount necessary to reimburse the department  
40 of health services for administrative costs to implement each program  
41 established pursuant to subsection A of this section not to exceed two per  
42 cent of the amount transferred for each program.

1           D. The administration shall annually withdraw monies from the  
2 medically needy account in the amount necessary to reimburse the department  
3 of health services for the evaluations as prescribed by section 36-2907.07.

4           E. The administration shall annually report, no later than November  
5 1 of each year, to the joint legislative oversight committee on the tobacco  
6 tax and health care fund the annual revenues deposited in the medically needy  
7 account and the estimated expenditures needed in the subsequent year to  
8 provide funding for services provided in subsection A, paragraph 1 of this  
9 section. The administration shall immediately report to the cochairs of the  
10 oversight committee if at any time the administration estimates that the  
11 amount available in the medically needy account will not be sufficient to  
12 fund the maximum allocations established in this section.

APPROVED BY THE GOVERNOR APRIL 20, 1996.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 22, 1996