

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Health Policy

BILL: SB 494

INTRODUCER: Senators Simpson and Mayfield

SUBJECT: H. Lee Moffitt Cancer Center and Research Institute

DATE: January 17, 2020

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Looke | Brown | HP | Favorable |
| 2. | | | FT | |
| 3. | | | AP | |

I. Summary:

SB 494 increases the percentage of the state’s cigarette tax revenue¹ that is directed from month to month to the H. Lee Moffitt Cancer Center and Research Institute. The bill increases the percentage from the current 4.04 percent to 7 percent beginning July 1, 2020, and again to 10 percent beginning July 1, 2023.

The bill takes effect upon becoming a law.

II. Present Situation:

H. Lee Moffitt Cancer Center (Moffitt)

Moffitt was established by the Legislature in 1981, began construction in 1983, and opened to patients on Oct. 27, 1986.² Moffitt began its research on cancer in 1993 and became a National Cancer Institute (NCI) designated cancer center in 1998. In 2001, Moffitt achieved NCI Comprehensive Cancer Center designation indicating that it is one of “the strongest institutions in the nation dedicated to scientific innovation and excellence; to interdisciplinary research, training and education; and to coordinated recognition and pursuit of new research opportunities.” Currently, Moffitt is the only NCI-designated Comprehensive Cancer Center based in Florida.³

Moffitt treats cancer patients and performs cancer research. Moffitt is Florida’s largest multi-disciplinary medical group practice that is dedicated to cancer care. The Moffitt Medical Group (MMG), based at Moffitt Cancer Center, also provides services at other hospitals and clinics throughout the state of Florida and beyond. The MMG consists of 377 oncology specialists,

¹ The cigarette tax is imposed by s. 210.02, F.S.

² See <https://moffitt.org/about-moffitt/our-story/> (last visited Jan. 16, 2020).

³ See <https://moffitt.org/about-moffitt/nci-designation/> (last visited Jan. 16, 2020).

including 221 board-certified physicians and 156 advanced practice professionals, as well as other staff who specialize in nearly 30 cancer programs and services.⁴ Additionally, Moffitt employs about 800 research faculty scientists, career staff scientists, postdocs, graduate students, and support staff dedicated to cancer research.⁵

Moffitt's Cigarette Tax Revenue

As provided in s. 210.20(2)(b), F.S., the distribution of cigarette tax revenue to the H. Lee Moffitt Cancer Center is 4.04 percent of net cigarette tax collections each fiscal year, or 4.04 percent of net cigarette taxes that were collected in State Fiscal Year 2001-2002, whichever is greater. This provision continues through June 30, 2053, under current law. For the purpose of determining the distribution amounts, net cigarette tax collections are defined as the cigarette tax imposed by s. 210.02, F.S., less the service charges provided for in s. 215.20, F.S., and less 0.9 percent of the amount derived from the cigarette tax imposed by s. 210.02, F.S.

Because cigarette tax collections today are substantially lower than they were in the 2001-2002 fiscal year, the Moffitt distribution amount is estimated to be \$15.6 million each fiscal year, which is equal to the amount Moffitt would have received in the 2001-2002 fiscal year. After all distributions from the cigarette tax are made, the remainder goes to the General Revenue Fund.⁶

III. Effect of Proposed Changes:

SB 494 increases the percentage of cigarette tax revenue,⁷ less the 8 percent service charge imposed by s. 215.20, F.S., and less 0.9 percent that is deposited into the Alcoholic Beverages and Tobacco Trust Fund, which is paid from month to month to the H. Lee Moffitt Cancer Center and Research Institute.

Beginning July 1, 2020, and continuing through June 30, 2023, the percentage is increased from the current percentage of 4.04 percent to 7 percent. Beginning July 1, 2023, the percentage is further increased to 10 percent.

Under the bill, the Revenue Estimating Impact Conference estimated on December 5, 2019, that SB 494 will increase the funds directed to Moffitt from \$15.6 million annually to \$26.9 million (an \$11.4 million increase over current year) from FY 2020-2021 through FY 2022-2023. Starting in FY 2023-2024, the funds directed to Moffitt are estimated to be \$38.4 million annually (a \$22.9 million increase over current year). The amount of funds distributed to the state's General Revenue Fund from the cigarette tax is estimated to decrease by the corresponding amounts.⁸

⁴ See <https://moffitt.org/about-moffitt/medical/> (last visited Jan. 16, 2020).

⁵ See <https://moffitt.org/about-moffitt/research/> (last visited Jan. 16, 2020).

⁶ Revenue Estimating Conference report, Dec. 6, 2019, p. 62, available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2020/_pdf/Impact1206.pdf (last visited Jan. 16, 2020).

⁷ *Supra* note 1.

⁸ *Supra* note 6, at 64.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

For the fiscal impact to Moffitt, please see **Section III** of this analysis.

C. Government Sector Impact:

For the fiscal impact to the General Revenue Fund, please see **Section III** of this analysis.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 210.20 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
