

Amend CSSB 1863 (House committee printing) as follows:

(1) Strike SECTION 6.01 of the bill (page 26, line 26, through page 27, line 11).

(2) Insert the following SECTIONS in ARTICLE 6 of the bill, appropriately numbered, and renumber subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. Subdivision (4), Section 62.002, Health and Safety Code, is amended to read as follows:

(4) "Net ~~[Gross]~~ family income" means the ~~[total]~~ amount of income established for a family after reduction for offsets for expenses such as child care and work-related expenses, in accordance with standards applicable under the Medicaid ~~[without consideration of any reduction for offsets that may be available to the family under any other]~~ program.

SECTION \_\_\_\_\_. Subsection (b), Section 62.101, Health and Safety Code, is amended to read as follows:

(b) The commission shall establish income eligibility levels consistent with Title XXI, Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended, and any other applicable law or regulations, and subject to the availability of appropriated money, so that a child who is younger than 19 years of age and whose net ~~[gross]~~ family income is at or below 200 percent of the federal poverty level is eligible for health benefits coverage under the program. ~~[In addition, the commission may establish eligibility standards regarding the amount and types of allowable assets for a family whose gross family income is above 150 percent of the federal poverty level.]~~

SECTION \_\_\_\_\_. Section 62.102, Health and Safety Code, is amended to read as follows:

Sec. 62.102. CONTINUOUS COVERAGE. ~~[(a)]~~ The commission shall provide that an individual who is determined to be eligible for coverage under the child health plan remains eligible for those benefits until the earlier of:

(1) the end of a period, not to exceed 12 months, following the date of the eligibility determination; or

(2) the individual's 19th birthday.

~~[(b) The period of continuous eligibility may be established~~

~~at an interval of 6 months beginning immediately upon passage of this Act and ending September 1, 2005, at which time an interval of 12 months of continuous eligibility will be re-established.]~~

SECTION \_\_\_\_\_. Subsection (b), Section 62.153, Health and Safety Code, is amended to read as follows:

(b) Cost-sharing ~~[Subject to Subsection (d), cost-sharing]~~ provisions adopted under this section shall ensure that families with higher levels of income are required to pay progressively higher percentages of the cost of the plan.

SECTION \_\_\_\_\_. Subsections (a) and (d), Section 62.154, Health and Safety Code, are amended to read as follows:

(a) To the extent permitted under Title XXI of the Social Security Act (42 U.S.C. Section 1397aa et seq.), as amended, and any other applicable law or regulations, the child health plan must include a waiting period and ~~[The child health plan]~~ may include copayments and other provisions intended to discourage:

(1) employers and other persons from electing to discontinue offering coverage for children under employee or other group health benefit plans; and

(2) individuals with access to adequate health benefit plan coverage, other than coverage under the child health plan, from electing not to obtain or to discontinue that coverage for a child.

(d) The waiting period required by Subsection (a) must:

(1) extend for a period of 90 days after ~~[+~~

~~[-(1)]]~~ the last date on ~~[first day of the month in]~~ which the applicant was covered under a health benefits plan; and

(2) apply to a child who was covered by a health benefits plan at any time during the 90 days before the date of application for coverage under the child health plan ~~[is enrolled under the child health plan, if the date of enrollment is on or before the 15th day of the month; or~~

~~[-(2) the first day of the month after which the applicant is enrolled under the child health plan, if the date of enrollment is after the 15th day of the month].~~

SECTION \_\_\_\_\_. Subsection (d), Section 62.153, Health and Safety Code, is repealed.

(3) Add the following appropriately numbered ARTICLE to the bill and renumber subsequent ARTICLES of the bill accordingly:

ARTICLE \_\_\_\_ . TAX ON TOBACCO PRODUCTS

SECTION \_\_\_\_ .01. Subsection (b), Section 154.021, Tax Code, is amended to read as follows:

(b) The tax rates are:

(1) \$25.06 [~~\$20.50~~] per thousand on cigarettes weighing three pounds or less per thousand; and

(2) the rate provided by Subdivision (1) plus \$2.10 per thousand on cigarettes weighing more than three pounds per thousand.

SECTION \_\_\_\_ .02. Section 154.603, Tax Code, is amended to read as follows:

Sec. 154.603. DISPOSITION OF REVENUE. (a) After the deductions for the purposes provided by Section 154.602 [~~of this code~~], the revenue remaining of the first \$2 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the first \$4.10 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand is allocated:

(1) 18.75 percent to the foundation school fund; and

(2) 81.25 percent to the general revenue fund.

(b) The revenue remaining after the deductions for the purposes provided by Section 154.602 [~~of this code~~] and allocation under Subsection (a) shall be deposited as follows:

(1) the next \$4.56 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the next \$4.56 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand shall be deposited to the credit of the health and human services account in the general revenue fund and may be appropriated only to the Health and Human Services Commission or a health and human services agency, as that term is defined by Section 531.001, Government Code, for the child health plan program under Chapter 62, Health and Safety Code; and

(2) the remaining revenue shall be deposited to the credit of [~~of this section is allocated to~~] the general revenue

fund.

SECTION \_\_\_\_ .03. Subsection (b), Section 155.021, Tax Code, is amended to read as follows:

(b) The tax rates are:

(1) 1.22 cents [~~one-cent~~] per 10 or fraction of 10 on cigars weighing three pounds or less per thousand;

(2) \$9.58 [~~\$7.50~~] per thousand on cigars that:

(A) weigh more than three pounds per thousand;  
and

(B) sell at factory list price, exclusive of any trade discount, special discount, or deal, for 3.3 cents or less each;

(3) \$14.06 [~~\$11~~] per thousand on cigars that:

(A) weigh more than three pounds per thousand;  
(B) sell at factory list price, exclusive of any trade discount, special discount, or deal, for more than 3.3 cents each; and

(C) contain no substantial amount of nontobacco ingredients; and

(4) \$19.17 [~~\$15~~] per thousand on cigars that:

(A) weigh more than three pounds per thousand;  
(B) sell at factory list price, exclusive of any trade discount, special discount, or deal, for more than 3.3 cents each; and

(C) contain a substantial amount of nontobacco ingredients.

SECTION \_\_\_\_ .04. Subsection (b), Section 155.0211, Tax Code, is amended to read as follows:

(b) The tax rate for tobacco products other than cigars is 45.003 [~~35.213~~] percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal.

SECTION \_\_\_\_ .05. Section 155.241, Tax Code, is amended to read as follows:

Sec. 155.241. ALLOCATION OF TAX. (a) Revenue collected under this chapter at the following rates shall be deposited to the credit of the health and human services account in the general revenue fund and may be appropriated only to the Health and Human

Services Commission or a health and human services agency, as that term is defined by Section 531.001, Government Code, for the child health plan program under Chapter 62, Health and Safety Code:

(1) the revenue from the first .22 cents per 10 or fraction of 10 on cigars weighing three pounds or less per thousand;

(2) the revenue from the first \$2.08 per thousand on cigars that:

(A) weigh more than three pounds per thousand;  
and

(B) sell at factory list price, exclusive of any trade discount, special discount, or deal, for 3.3 cents or less each;

(3) the revenue from the first \$3.06 per thousand on cigars that:

(A) weigh more than three pounds per thousand;  
(B) sell at factory list price, exclusive of any trade discount, special discount, or deal, for more than 3.3 cents each; and

(C) contain no substantial amount of nontobacco ingredients;

(4) the revenue from the first \$4.17 per thousand on cigars that:

(A) weigh more than three pounds per thousand;  
(B) sell at factory list price, exclusive of any trade discount, special discount, or deal, for more than 3.3 cents each; and

(C) contain a substantial amount of nontobacco ingredients; and

(5) the revenue from the tax on tobacco products other than cigars imposed at the rate of 9.79 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal.

(b) The revenue remaining after the allocation under Subsection (a) shall be deposited to the credit of the general revenue fund.

SECTION \_\_.06. This article takes effect September 1, 2005.