



CALIFORNIA DEPARTMENT OF JUSTICE
Summary of Expenditures for Funds Received By the California Healthcare, Research and Prevention Tobacco Tax Act Of 2016

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56, codified at Article 2.5 of the Revenue & Taxation Code) provides state and local agencies with funding to promote a healthier California by reducing illegal sales and marketing of cigarettes and tobacco products to minors.

Approved by voters in 2016, Proposition 56 increased taxes on cigarettes and other tobacco products by \$2.00 starting in April 2017. Of the resulting tax revenue, Proposition 56 provides \$30 million¹ is appropriated annually to the Department of Justice (Department) to be granted through reimbursement to public agencies within California to fund efforts to prevent or reduce the illegal sales and/or marketing of cigarettes and tobacco products to minors and youth. (See Revenue & Taxation Code Sec. 30130.57(e)(1).) These grants to local agencies – referred to as *Local Assistance* in the chart below – are awarded for the purpose of enforcing state laws and local ordinances relating to the illegal sales and/or marketing of tobacco products, and increasing investigative activities and compliance checks of tobacco retailers and online services that deliver tobacco products.

In addition to the amount appropriated for *Local Assistance*, the Department receives an annual appropriation for *State Operations* (as indicated in the chart below) to support the Department’s tobacco enforcement activities and grant administration. (See Revenue & Taxation Code Sec. 30130.57(e)(4).)

The following is the Department’s summary of funds appropriated, expended, and obligated, since fund year 2017-18. For more information regarding the Tobacco Grant Program, please visit <https://oag.ca.gov/tobaccogrants>.

Fund Year	Fund Type ²	Appropriation ³	Funds Expended ⁴	Funds Obligated ⁵	Cash Transfers ⁶
2017-18	State Operations	\$7,500,000	\$2,574,050	\$0	\$0
	· Grant Administration	\$0	\$0	\$0	
	· Enforcement	\$7,500,000	\$2,574,050	\$0	
	Local Assistance	\$37,500,000	\$26,421,922	\$0	
2018-19	State Operations	\$7,500,000	\$2,734,994	\$0	\$36,000,000
	· Grant Administration	\$1,500,000	\$894,286	\$0	
	· Enforcement	\$6,000,000	\$1,840,708	\$0	
	Local Assistance	\$28,500,000	\$15,913,386	\$198,171	
2019-20	State Operations	\$8,032,000	\$3,506,636	\$0	\$62,410,000

Fund Year	Fund Type ²	Appropriation ³	Funds Expended ⁴	Funds Obligated ⁵	Cash Transfers ⁶
	· <i>Grant Administration</i>	\$1,606,000	\$832,309	\$0	
	· <i>Enforcement</i>	\$6,426,000	\$2,674,327	\$0	
	Local Assistance	\$30,511,000	\$8,845,950	\$21,159,526	
2020-21	State Operations	\$5,500,000	\$4,445,934	\$0	\$32,749,000
	· <i>Grant Administration</i>	\$1,200,000	\$967,398	\$0	
	· <i>Enforcement</i>	\$4,300,000	\$3,478,536	\$0	
	Local Assistance	\$28,500,000	\$4,332,932	\$23,968,194	
2021-22	State Operations	\$5,093,000	\$5,289,345	\$0	\$32,794,000
	· <i>Grant Administration</i>	\$755,000	\$1,140,710	\$0	
	· <i>Enforcement</i>	\$4,338,000	\$4,148,635	\$0	
	Local Assistance	\$26,800,000	\$77,450	\$22,282,504	

¹ The amount allocated to the Department is appropriated annually through the State budget process. This annual amount can fluctuate below \$30 million based on reductions in tax revenue in a given fund year. (See Taxation & Revenue Code Sec. 30130.57(h).)

² All *Local Assistance* information is reported as of June 30, 2022.

³ *Local Assistance* is the amount appropriated to the Department each fund year to award to Tobacco Grant Program recipients. *State Operations* is the amount appropriated to the Department to support the Department's tobacco enforcement activities and grant administration.

⁴ Funds expended for *State Operations* are reported as of June 30th for the specified fund year, with the exception of fund year 2017-18, which was reported June 30, 2020 as part of a one-time funding appropriation.

⁵ The Department obligates up to the amount appropriated each fund year for *Local Assistance* to grant recipients. Contracts with grantees may allow for funds to be expended up to a four-year period.

⁶ Cash transfers are the amount of funds transferred annually into the Department of Justice Subaccount, Tobacco Law Enforcement Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund (3320) from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund (3304), per Taxation & Revenue Code Sec. 30130.57 (e), which supports the annual budget appropriation and statewide overhead costs. Please note, grant awards are based on the amount appropriated to the Department and not the cash transfers.