

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

5/17/2016 4:28:50 PM

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

HB3210

By: Sears et al of the House
Jolley et al of the Senate

Title: Health care funding; cigarette excise tax; apportionment; sale of
excise tax stamps; effective date; emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached



Chr.
Representative Earl Sears

YEAS: 13

Casey, Coody (A), Cox, Johnson, Martin, Ortega, Osborn, Ownbey, Peterson, Rousselot, Russ,
Sanders, Sears

NAYS: 7

Brown, McCullough, McDaniel (J), McDaniel (R), Morrisette, Nelson, Wright

CONSTITUTIONAL PRIVILEGE: 0

**OKLAHOMA STATE SENATE
JOINT
COMMITTEE REPORT**

May 17, 2016

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

HB 3210

By: Sears of the House and Jolley and Treat of the Senate

Title: Health care funding; cigarette excise tax; apportionment; sale of excise tax stamps; effective date; emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Allen, Barrington, Bass, Bice, Boggs, Brooks, Crain, David, Fields, Ford, Griffin, Halligan, Holt, Jech, Justice, Marlatt, Sharp, Shaw, Silk, Simpson, Standridge, Thompson, Yen, Treat, Jolley

Nay: Brecheen, Brown, Dahm, Dossett, Floyd, Fry, Loveless, Matthews, Mazzei, Pittman, Quinn, Smalley, Sparks, Stanislawski, Sykes, Wyrick

Pass:

Senator Clark Jolley, Chair

Committee Substitute, motion by Senator JOLLEY - Adopted (Request No: 9985)

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 3210

By: Sears and Casey of the
House

and

Jolley and Treat of the
Senate

COMMITTEE SUBSTITUTE

An Act relating to health care funding; imposing additional tax levy upon cigarettes; specifying amount of additional levy; providing for apportionment of revenues to the Healthcare Revolving Fund; providing for expenditure of revenues; prescribing method for expenditure; prohibiting sale of cigarette excise tax stamps to wholesalers in excess of certain amount; providing exception; providing for codification; providing for noncodification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 302-7 of Title 68, unless there is created a duplication in numbering, reads as follows:

1 A. As used in this act, "eligible agency" means any state
2 agency that uses state dollars to be matched with federal funds
3 pursuant to Titles XIX and XXI of the Social Security Act.

4 B. In addition to the tax levied in Sections 302, 302-1, 302-2,
5 302-3, 302-4 and 302-5 of Title 68 of the Oklahoma Statutes, there
6 is hereby levied upon the sale, use, gift, possession, or
7 consumption of cigarettes, as defined in Sections 301 through 325 of
8 Title 68 of the Oklahoma Statutes, within this state, a tax at the
9 rate of One Dollar and fifty cents (\$1.50) per pack of cigarettes.

10 C. Except as provided in subsection D of this section, the
11 revenue resulting from the additional tax levied in subsection B of
12 this section shall be apportioned by the Oklahoma Tax Commission and
13 transmitted to the State Treasurer to be placed to the credit of the
14 Healthcare Revolving Fund.

15 D. The net amount of any revenue resulting from a payment in
16 lieu of excise taxes on cigarettes levied by this section, pursuant
17 to a compact with a federally recognized Indian tribe or nation
18 after deductions for deposits into trust accounts pursuant to such
19 compacts, shall be apportioned by the Tax Commission and transmitted
20 to the State Treasurer to be placed to the credit of the Healthcare
21 Revolving Fund.

22 E. No part of the revenues resulting from the additional taxes
23 levied in this section shall be used in determining the amount of
24 cigarette tax collections to be paid into:

1 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
2 pursuant to the provisions of Sections 57.31 through 57.43 of Title
3 62 of the Oklahoma Statutes;

4 2. The State of Oklahoma Institutional Building Bonds of 1965
5 Sinking Fund pursuant to the provisions of Sections 57.61 through
6 57.73 of Title 62 of the Oklahoma Statutes;

7 3. The State of Oklahoma Institutional Building Bonds of 1965
8 Sinking Fund Series C and Series D pursuant to the provisions of
9 Sections 57.81 through 57.112 of Title 62 of the Oklahoma Statutes;

10 4. The State of Oklahoma Building Bonds of 1968 Sinking Fund
11 pursuant to the provisions of Sections 57.121 through 57.193 of
12 Title 62 of the Oklahoma Statutes; or

13 5. The Oklahoma Building Bonds of 1992 Sinking Fund pursuant to
14 the provisions of Sections 57.300 through 57.313 of Title 62 of the
15 Oklahoma Statutes.

16 F. The cigarette taxes levied in this section shall be
17 collected and administered in all respects consistent with as now or
18 hereafter provided for by law for other cigarette taxes now levied,
19 collected and administered pursuant to the provisions of Sections
20 301 through 325 of Title 68 of the Oklahoma Statutes.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 5016.1 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

1 A. There is hereby created in the State Treasury a special fund
2 to be designated the "Healthcare Revolving Fund".

3 B. The fund shall be a continuing fund, not subject to fiscal
4 year limitations, and shall consist of:

5 1. All monies received pursuant to this section and otherwise
6 specified or authorized by law; and

7 2. Interest attributable to investment of money in the fund.

8 C. All monies accruing to the credit of the fund shall be
9 appropriated at the discretion of the Legislature and shall be
10 budgeted and expended by eligible agencies on activities eligible to
11 be matched with federal Medicaid dollars or mental health safety net
12 services with priority towards stabilizing reimbursement rates.

13 SECTION 3. NEW LAW A new section of law not to be
14 codified in the Oklahoma Statutes reads as follows:

15 The Oklahoma Tax Commission shall not sell cigarette excise tax
16 stamps to any wholesaler in excess of the amount of the monthly
17 average amount of such excise tax stamps sold to such wholesaler
18 during the preceding calendar year prior to the effective date of
19 Sections 1 and 2 of this act. Provided, the wholesaler may purchase
20 in excess of the monthly average purchased during the preceding
21 calendar year upon documentation, to the Tax Commission's
22 satisfaction, of probable sales greater than the wholesaler's sales
23 in the preceding calendar year.

SECTION 4. This act shall become effective September 1, 2016.

55-2-10004 MAH 05/17/16