

**COMMITTEE AMENDMENT**

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2372 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by  
inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Leslie Osborn

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 2372

By: Osborn (Leslie) and Wallace  
of the House

and

David and Fields of the  
Senate

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; stating purpose; imposing additional tax levy upon cigarettes; specifying amount of additional levy; providing for apportionment of revenues to certain funds; exempting levy from inclusion in determination of certain amounts; requiring certain collections and administration of levy; creating the Health Care Authority Enhancement Fund, the Mental Health and Substance Abuse Services Enhancement Fund, the Human Services Enhancement Fund, the University Hospitals Enhancement Fund, the Oklahoma State University Medical Authority Enhancement Fund, the Health Department Enhancement Fund, and the Health Care Enhancement Fund; exempting funds from fiscal year limitations; identifying funding source; declaring funds appropriated; authorizing appropriation from certain fund; requiring legislative authorization for budgeting and expenditure; requiring certain budgeting procedures; prohibiting sale of cigarette excise tax stamps to wholesalers in excess of certain amount; providing exception; providing for codification; and providing for noncodification.

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

1       SECTION 1.       NEW LAW       A new section of law to be codified

2 in the Oklahoma Statutes as Section 302-7 of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4       A. For the purpose of providing revenue for the support of the  
5 functions of state government, in addition to the tax levied in  
6 Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68 of  
7 the Oklahoma Statutes, there is hereby levied upon the sale, use,  
8 gift, possession or consumption of cigarettes, as defined in  
9 Sections 301 through 325 of Title 68 of the Oklahoma Statutes,  
10 within this state, a tax at the rate of seventy-five (75) mills per  
11 cigarette.

12       B. 1. Except as provided in paragraph 2 of this subsection,  
13 the revenue resulting from the additional tax levied in subsection A  
14 of this section shall be apportioned as provided in paragraphs 3 and  
15 4 of this subsection.

16       2. The net amount of any revenue resulting from a payment in  
17 lieu of excise taxes on cigarettes levied by this section, which net  
18 amount shall be calculated after deductions for rebates owed  
19 pursuant to a compact with a federally recognized Indian tribe or  
20 nation, shall be apportioned as provided in paragraphs 3 and 4 of  
21 this subsection.

22       3. For the period beginning September 1, 2017, and ending June  
23 30, 2018, the resulting revenues as described by paragraphs 1 and 2  
24 of this subsection shall be apportioned by the Oklahoma Tax

Commission and transmitted to the State Treasurer, who shall deposit the same in the State Treasury to the credit of the following funds in the following percentages:

- a. fifty percent (50%) to the credit of the Health Care Authority Enhancement Fund, created in Section 2 of this act,
- b. twenty-three percent (23%) to the credit of the Mental Health and Substance Abuse Services Enhancement Fund, created in Section 3 of this act,
- c. thirteen and five-tenths percent (13.5%) to the credit of the Human Services Enhancement Fund, created in Section 4 of this act,
- d. five and four-tenths percent (5.4%) to the credit of the University Hospitals Enhancement Fund, created in Section 5 of this act,
- e. five and four-tenths percent (5.4%) to the credit of the Oklahoma State University Medical Authority Enhancement Fund, created in Section 6 of this act, and
- f. two and seven-tenths percent (2.7%) to the credit of the Health Department Enhancement Fund, created in Section 7 of this act.

4. Beginning July 1, 2018, all resulting revenues as described by paragraphs 1 and 2 of this subsection shall be apportioned by the

Oklahoma Tax Commission and transmitted to the State Treasurer, who shall deposit the same in the State Treasury to the credit of the Heath Care Enhancement Fund, created in Section 8 of this act.

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

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

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

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

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

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

D. The cigarette taxes levied in this section shall be collected and administered as provided by law for other cigarette taxes now levied, collected and administered pursuant to the

1 provisions of Sections 301 through 325 of Title 68 of the Oklahoma  
2 Statutes.

3 SECTION 2. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 302-7a of Title 68, unless there  
5 is created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a fund for the  
7 Oklahoma Health Care Authority to be designated the "Health Care  
8 Authority Enhancement Fund". The fund shall be a continuing fund,  
9 not subject to fiscal year limitations, and shall consist of monies  
10 received pursuant to Section 1 of this act and any monies designated  
11 to the fund by law. All monies accruing to the credit of the fund  
12 are hereby appropriated and may be budgeted and expended by the  
13 Oklahoma Health Care Authority as authorized by the Oklahoma  
14 Legislature. Expenditures from the fund shall be made upon warrants  
15 issued by the State Treasurer against claims filed as prescribed by  
16 law with the Director of the Office of Management and Enterprise  
17 Services for approval and payment.

18 SECTION 3. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 302-7b of Title 68, unless there  
20 is created a duplication in numbering, reads as follows:

21 There is hereby created in the State Treasury a fund for the  
22 Department of Mental Health and Substance Abuse Services to be  
23 designated the "Mental Health and Substance Abuse Services  
24 Enhancement Fund". The fund shall be a continuing fund, not subject

1 to fiscal year limitations, and shall consist of monies received  
2 pursuant to Section 1 of this act and any monies designated to the  
3 fund by law. All monies accruing to the credit of the fund are  
4 hereby appropriated and may be budgeted and expended by the  
5 Department of Mental Health and Substance Abuse Services as  
6 authorized by the Oklahoma Legislature. Expenditures from the fund  
7 shall be made upon warrants issued by the State Treasurer against  
8 claims filed as prescribed by law with the Director of the Office of  
9 Management and Enterprise Services for approval and payment.

10 SECTION 4. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 302-7c of Title 68, unless there  
12 is created a duplication in numbering, reads as follows:

13 There is hereby created in the State Treasury a fund for the  
14 Department of Human Services to be designated the "Human Services  
15 Enhancement Fund". The fund shall be a continuing fund, not subject  
16 to fiscal year limitations, and shall consist of monies received  
17 pursuant to Section 1 of this act and any monies designated to the  
18 fund by law. All monies accruing to the credit of the fund are  
19 hereby appropriated and may be budgeted and expended by the  
20 Department of Human Services as authorized by the Oklahoma  
21 Legislature. Expenditures from the fund shall be made upon warrants  
22 issued by the State Treasurer against claims filed as prescribed by  
23 law with the Director of the Office of Management and Enterprise  
24 Services for approval and payment.

1       SECTION 5.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 302-7d of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4       There is hereby created in the State Treasury a fund for the  
5 University Hospitals Authority to be designated the "University  
6 Hospitals Enhancement Fund". The fund shall be a continuing fund,  
7 not subject to fiscal year limitations, and shall consist of monies  
8 received pursuant to Section 1 of this act and any monies designated  
9 to the fund by law. All monies accruing to the credit of the fund  
10 are hereby appropriated and may be budgeted and expended by the  
11 University Hospitals Authority as authorized by the Oklahoma  
12 Legislature. Expenditures from the fund shall be made upon warrants  
13 issued by the State Treasurer against claims filed as prescribed by  
14 law with the Director of the Office of Management and Enterprise  
15 Services for approval and payment.

16       SECTION 6.       NEW LAW       A new section of law to be codified  
17 in the Oklahoma Statutes as Section 302-7e of Title 68, unless there  
18 is created a duplication in numbering, reads as follows:

19       There is hereby created in the State Treasury a fund for the  
20 Oklahoma State University Medical Authority to be designated the  
21 "Oklahoma State University Medical Authority Enhancement Fund". The  
22 fund shall be a continuing fund, not subject to fiscal year  
23 limitations, and shall consist of monies received pursuant to  
24 Section 1 of this act and any monies designated to the fund by law.



1 All monies accruing to the credit of the fund are hereby  
2 appropriated and may be budgeted and expended by the Oklahoma State  
3 University Medical Authority as authorized by the Oklahoma  
4 Legislature. Expenditures from the fund shall be made upon warrants  
5 issued by the State Treasurer against claims filed as prescribed by  
6 law with the Director of the Office of Management and Enterprise  
7 Services for approval and payment.

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

11 There is hereby created in the State Treasury a fund for the  
12 State Department of Health to be designated the "Health Department  
13 Enhancement Fund". The fund shall be a continuing fund, not subject  
14 to fiscal year limitations, and shall consist of monies received  
15 pursuant to Section 1 of this act and any monies designated to the  
16 fund by law. All monies accruing to the credit of the fund are  
17 hereby appropriated and may be budgeted and expended by the State  
18 Department of Health as authorized by the Oklahoma Legislature.  
19 Expenditures from the fund shall be made upon warrants issued by the  
20 State Treasurer against claims filed as prescribed by law with the  
21 Director of the Office of Management and Enterprise Services for  
22 approval and payment.

23

24

1       SECTION 8.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 302-7g of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4       There is hereby created in the State Treasury a fund to be  
5 designated the "Health Care Enhancement Fund". The fund shall be a  
6 continuing fund, not subject to fiscal year limitations, and shall  
7 consist of monies received pursuant to Section 1 of this act and any  
8 monies designated to the fund by law. All monies accruing to the  
9 credit of the fund shall be appropriated at the discretion of the  
10 Legislature for the purpose of enhancing the health of Oklahomans.

11       SECTION 9.       NEW LAW       A new section of law not to be  
12 codified in the Oklahoma Statutes reads as follows:

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

22  
23       56-1-7788       JM       05/01/17  
24