

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1841

By: Osborn (Leslie)

AS INTRODUCED

An Act relating to health care funding; imposing additional tax levy upon cigarettes; specifying amount of additional levy; providing for apportionment of revenues to certain fund; providing for expenditure of revenues; prescribing method for expenditure; creating the Healthcare Revolving Fund; exempting fund from certain limitations; providing funding source; directing appropriation and expenditure of funds; 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:

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

B. In addition to the tax levied in Sections 302, 302-1, 302-2, 302-3, 302-4 and 302-5 of Title 68 of the Oklahoma Statutes, there

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

5 C. Except as provided in subsection D of this section, the
6 revenue resulting from the additional tax levied in subsection B of
7 this section shall be apportioned by the Oklahoma Tax Commission and
8 transmitted to the State Treasurer to be placed to the credit of the
9 Healthcare Revolving Fund created by Section 2 of this act.

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

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

20 1. The State of Oklahoma Building Bonds of 1961 Sinking Fund
21 pursuant to the provisions of Sections 57.31 through 57.43 of Title
22 62 of the Oklahoma Statutes;
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1 2. The State of Oklahoma Institutional Building Bonds of 1965
2 Sinking Fund pursuant to the provisions of Sections 57.61 through
3 57.73 of Title 62 of the Oklahoma Statutes;

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

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

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

13 F. The cigarette taxes levied in this section shall be
14 collected and administered as provided by law for other cigarette
15 taxes now levied, collected and administered pursuant to the
16 provisions of Sections 301 through 325 of Title 68 of the Oklahoma
17 Statutes.

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

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

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

1 1. All monies received pursuant to this act and otherwise
2 specified or authorized by law; and

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

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

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

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

20 SECTION 4. This act shall become effective September 1, 2017.

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