

**CHARLENE MIERS FOUNDATION FOR CANCER RESEARCH
PROPOSED LEGISLATION**

An Act

SENATE BILL NO. _____

By: _____

An Act relating to public health and safety, and taxation; providing additional tax on cigarettes; providing for modifying apportionment of tax revenue by providing for limited allocation to specified fund; providing for codification; 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 as duplication of numbering, reads as follows:

This act shall be known and may be cited as the Oklahoma Smoking-Attributable Costs Recovery Act”.

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

It is the findings and intent of the Legislature that:

1. The State of Oklahoma is adversely affected and burdened by premature and preventable loss of life and health of its citizens, decreased productivity, and financially burdensome costs and expenditures for health care attributable to the sale, use, gift, possession or consumption of cigarettes.

2. The State of Oklahoma should provide for a means to offset and recover those costs directly from the persons, businesses and activities involved by the levy of an additional and supplemental tax upon the sale, use, gift, possession or consumption of cigarettes, and apportion the tax collected to research to prevent and control cancer caused by smoking in the state.

3. The amounts collected by such additional tax should be apportioned and used to fund research in the State of Oklahoma to discover of ways to prevent and treat cancer caused by smoking.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 302-9 of Title 68, unless there is created a duplication of numbering, reads as follows:

A. Effective January 1, 2012, in addition to the tax levied in Sections 302, 302-1, 302-2, 302-3 302-4 and 302-5 of this title, there is hereby levied upon the sale, use, gift, possession, or consumption of cigarettes, as defined in Sections 301 through 325 of this title, within this state, a tax at the rate of three hundred sixty (360) mills per cigarette.

B. Effective January 1, 2013 and January 1 of every calendar year thereafter the rate of the tax levied under this section shall be adjusted, by the amount that is determined pursuant to paragraph C of this section to be required to make the total of such rate when added to the total of all the rates of tax levied under Sections 302, 302-1, 302-2, 302-3 302-4 and 302-5 of this title equals the state smoking-attributable costs recovery rate.

C. For purposes of this section, the term “state smoking-attributable costs recovery rate” means the per cigarette amount calculated from the total of the medical costs per pack, productivity costs per pack and Medicaid costs per pack to the state that as of December 1 of each calendar year is the rate of smoking-attributable costs to the state that has most recently been determined and published by the United States Department of Health and Human Services Centers for Disease Control and Prevention. A pack shall be considered to include twenty cigarettes for purposes of such calculation of the per cigarette state smoking-attributable costs recovery rate and the rate that shall be applicable and levied under this section. The calculation of the state smoking-attributable costs recovery rate and the determination of the January 1 rate adjustment, if any, under paragraph B of this section for each calendar year, shall be shall be made by the State Board of Equalization pursuant to Section 302-10 of this title prior to and to become effective on January 1 of such calendar year.

D. The revenue resulting from the additional tax levied in subsection A of this section shall be apportioned by the Oklahoma Tax Commission and transmitted to the State Treasurer:

1. Fifty percent (50%) to the credit of the Comprehensive Cancer Center Debt Service Revolving Fund created in Section 160.1 of Title 62 of the Oklahoma Statutes; and

2. Fifty percent (50%) to the credit of the Oklahoma Tobacco Research Center Revolving Fund created in Section 160.3 of Title 62 of the Oklahoma Statutes.

SECTION 4. NEW LAW. A new section of law to be codified in the Oklahoma Statutes as Section 301-10 of Title 68, unless there is created a duplication of numbering, reads as follows:

A. The provisions of this section shall be applicable with respect to the implementation of the adjustments and increases in the rate of the tax levied upon the sale, use, gift, possession, or consumption of cigarettes, as defined in Sections 301 through 325 of this title, within this state under

Section 302-9 of this title based upon a determination by the State Board of Equalization of the rate of smoking-attributable costs to the state.

B. In addition to any other duties prescribed by law, at the meeting required by paragraph 1 of Section 23 of Article X of the Oklahoma Constitution to be held in December 2011, and for any subsequent December meeting of the State Board of Equalization, it shall be the duty of the State Board of Equalization to determine, and it shall determine the per cigarette amount of adjustment to be made in the rate of tax imposed under Section 302-9 of this title, which shall be calculated based upon and from the total of the medical costs per pack, productivity costs per pack and Medicaid costs per pack to the state that as of December 1 of each calendar year is the rate of smoking-attributable costs to the state that has most recently been determined and published by the United States Department of Health and Human Services Centers for Disease Control and Prevention. A pack shall be considered to include twenty cigarettes for purposes of such calculation.

C. The State Board of Equalization at such December meeting shall make a finding of the per cigarette amount of adjustment which shall be calculated based upon and from the total of the medical costs per pack, productivity costs per pack and Medicaid costs per pack to the state that as of December 1 of each calendar year is the rate of smoking-attributable costs to the state that has most recently been determined and published by the United States Department of Health and Human Services Centers for Disease Control and Prevention, and such finding shall authorize the implementation of the provisions of paragraph B of Section 302-9 of this title for such adjustment beginning on the January 1 date immediately following such December meeting of the Board.

SECTION 5. AMENDATORY 62 O. S. Supp. 2004, Section 160.1, enacted by Laws 2004, HB 2660, c. 322, § 5, eff. December 1, 2004, State Question No. 713, Legis. Ref. 336, approved at the general election held November 2, 2004; as last amended by Laws 2007, SB 247, c. 294, § 1, emerg. eff. July 1, 2007, is amended to read as follows:

Section 160.1. There is hereby created in the State Treasury a revolving fund for the University of Oklahoma Health Sciences Center to be designated the "Comprehensive Cancer Center Debt Service Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies apportioned to the fund pursuant to Sections 302-5, 302-9 and 402-3 of Title 68 of the Oklahoma Statutes. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the University for the purpose of construction, operations and servicing debt obligations incurred by the University to construct a nationally designated comprehensive cancer center. The cancer center constructed shall include a department known as the Janna L. Robbins Memorial Colorectal Screening and Research Department that has a primary function of conducting research and screening procedures for the treatment and detection of colorectal cancer. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 6. NEW LAW. A new section of law to be codified in the Oklahoma Statutes as Section 160.3 of Title 62, unless there is created a duplication of numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the University of Oklahoma Health Sciences Center to be designated the "Oklahoma Tobacco Research Center Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies apportioned to the fund pursuant to Sections 302-9 of Title 68 of the Oklahoma Statutes. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the University for the purpose of promoting and conducting operations of and servicing debt obligations incurred by the University for the Oklahoma Tobacco Research Center, to reduce the burden of tobacco related health problems in Oklahoma by stimulating the generation and dissemination of knowledge and the implementation and diffusion of effective practices; to facilitate research that advances the prevention and treatment of tobacco use and tobacco related health problems, to facilitate the dissemination and exchange of knowledge relevant to the reduction of tobacco use and tobacco related health problems, and to foster the implementation and diffusion of evidence-based practices relevant to the prevention and treatment of tobacco use and tobacco-related health problems. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 7. This act shall become effective January 1, 2012.

Passed the Senate the ____ day of _____, _____.

Passed the House of Representatives the ____ day of _____, _____.
