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An Act To Reduce Youth Smoking and Improve Public Health by Increasing Revenue from the Cigarette Tax to the Fund for a Healthy Maine and To Pay Debts Owed to Health Care Providers

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation needs to take effect before the expiration of the 90-day period in order to help prevent tobacco use by children and help smokers quit smoking; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §4365-F, as enacted by PL 2005, c. 457, Pt. AA, §3 and affected by §8, is repealed.

Sec. 2. 36 MRSA §4365-G is enacted to read:

§ 4365-G. Application of cigarette tax rate increase effective July 1, 2013

The following provisions apply to cigarettes held for resale on July 1, 2013.

1. Stamped rate. Cigarettes stamped at the rate of 100 mills per cigarette and held for resale after June 30, 2013 are subject to tax at the rate of 175 mills per cigarette.

2. Liability. A person possessing cigarettes for resale is liable for the difference between the tax rate of 175 mills per cigarette and the tax rate of 100 mills per cigarette in effect before July 1, 2013. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of July 1, 2013, except that cigarettes held in vending machines as of that date do not require that stamp.

3. Vending machines. Notwithstanding any other provision of this chapter, it is presumed that all cigarette vending machines are filled to capacity on July 1, 2013 and that the tax imposed by this section must be reported on that basis. A credit against this inventory tax must be allowed for cigarettes stamped at the rate of 175 mills per cigarette placed in vending machines before July 1, 2013.

4. Payment. Payment of the tax imposed by this section must be made to the assessor by September 1, 2013, accompanied by forms prescribed by the assessor.

Sec. 3. 36 MRSA §4366-A, sub-§2, ¶D, as amended by PL 2007, c. 438, §93, is further amended to read:

D. For stamps at the face value of ~~100~~175 mills, the discount rate is ~~1.15%~~0.75%.

Sec. 4. 36 MRSA §4366-E is enacted to read:

§ 4366-E. Additional tax

1. Additional tax. Beginning July 1, 2013, an additional tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of 75 mills for each cigarette. The tax imposed under this section must be added to the tax imposed under section 4365 and collected and administered in the same manner as the tax under that section. Payment of the tax is evidenced by the affixing of stamps to the packages containing the cigarettes.

2. Transfers. The State Controller shall make the following transfers from revenues received under this section.

A. The State Controller shall transfer to the Fund for a Healthy Maine \$20,382,200 in fiscal year 2013-14 and \$19,832,200 in fiscal year 2014-15. In subsequent fiscal years, the State Controller shall transfer to the Fund for a Healthy Maine a percentage of revenue collected under this section that is equal to the percentage of revenue transferred under this paragraph in fiscal years 2013-14 and 2014-15.

B. The State Controller shall transfer the balance of revenue collected under this section after the transfer required under paragraph A to the Medical Care - Payments to Providers program in the Department of Health and Human Services to be used to retire amounts determined by the Commissioner of Health and Human Services to be owed to health care providers for services provided prior to December 1, 2012. When, as determined by the commissioner, there exist no outstanding amounts owed to health care providers for services provided prior to December 1, 2012, the State Controller shall transfer the balance of revenue to the General Fund.

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

FHM - School Nurse Consultant 0949

Initiative: Allocates funds for a school nurse consultant.

GENERAL FUND	2013-14	2014-15
POSITIONS - LEGISLATIVE COUNT	1,000	1,000
Personal Services	\$95,000	\$95,000
All Other	\$8,000	\$8,000
GENERAL FUND TOTAL	\$103,000	\$103,000

EDUCATION, DEPARTMENT OF		
DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$103,000	\$103,000
DEPARTMENT TOTAL - ALL FUNDS	\$103,000	\$103,000

FINANCE AUTHORITY OF MAINE

FHM - Dental Education 0951

Initiative: Allocates funds for dental education programs.

GENERAL FUND	2013-14	2014-15
All Other	\$28,000	\$28,000
GENERAL FUND TOTAL	\$28,000	\$28,000

FHM - Health Education Centers 0950

Initiative: Allocates funds for health education centers.

GENERAL FUND	2013-14	2014-15
All Other	\$12,000	\$12,000
GENERAL FUND TOTAL	\$12,000	\$12,000

FHM - Quality Child Care 0952

Initiative: Allocates funds for quality child care programs.

GENERAL FUND	2013-14	2014-15
All Other	\$160,000	\$160,000
GENERAL FUND TOTAL	\$160,000	\$160,000

FINANCE AUTHORITY OF MAINE		
DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$200,000	\$200,000
DEPARTMENT TOTAL - ALL FUNDS	\$200,000	\$200,000

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY BDS)

FHM - Substance Abuse 0948

Initiative: Allocates funds for substance abuse programs.

GENERAL FUND	2013-14	2014-15
All Other	\$3,200,000	\$3,200,000
GENERAL FUND TOTAL	\$3,200,000	\$3,200,000

**HEALTH AND HUMAN SERVICES, DEPARTMENT
 OF (FORMERLY BDS)**

DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$3,200,000	\$3,200,000
DEPARTMENT TOTAL - ALL FUNDS	\$3,200,000	\$3,200,000

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

FHM - Bureau of Health 0953

Initiative: Allocates funds for tobacco treatment medication and counseling by a tobacco helpline.

GENERAL FUND	2013-14	2014-15
All Other	\$1,100,000	\$550,000
GENERAL FUND TOTAL	\$1,100,000	\$550,000

FHM - Bureau of Health 0953

Initiative: Allocates funds for community school grants.

GENERAL FUND	2013-14	2014-15
All Other	\$3,750,000	\$3,750,000
GENERAL FUND TOTAL	\$3,750,000	\$3,750,000

FHM - Bureau of Health 0953

Initiative: Allocates funds for tobacco prevention, control and treatment programs.

GENERAL FUND	2013-14	2014-15
All Other	\$800,000	\$800,000
GENERAL FUND TOTAL	\$800,000	\$800,000

FHM - Bureau of Health 0953

Initiative: Allocates funds for public health infrastructure programs.

GENERAL FUND	2013-14	2014-15
All Other	\$100,000	\$100,000
GENERAL FUND TOTAL	\$100,000	\$100,000

FHM - Bureau of Health 0953

Initiative: Allocates funds for home visit programs.

GENERAL FUND	2013-14	2014-15
All Other	\$5,150,000	\$5,150,000
GENERAL FUND TOTAL	\$5,150,000	\$5,150,000

FHM - Bureau of Health 0953

Initiative: Allocates funds for oral health programs.

GENERAL FUND	2013-14	2014-15
All Other	\$630,000	\$630,000
GENERAL FUND TOTAL	\$630,000	\$630,000

FHM - Donated Dental 0958

Initiative: Allocates funds for the donated dental program.

GENERAL FUND	2013-14	2014-15
All Other	\$4,200	\$4,200
GENERAL FUND TOTAL	\$4,200	\$4,200

FHM - Family Planning 0956

Initiative: Allocates funds for family planning programs.

GENERAL FUND	2013-14	2014-15
All Other	\$450,000	\$450,000
GENERAL FUND TOTAL	\$450,000	\$450,000

FHM - Head Start 0959

Initiative: Allocates funds for Head Start programs.

GENERAL FUND	2013-14	2014-15
All Other	\$160,000	\$160,000
GENERAL FUND TOTAL	\$160,000	\$160,000

FHM - Immunization Z048

Initiative: Allocates funds for immunization programs.

GENERAL FUND	2013-14	2014-15
All Other	\$125,000	\$125,000
GENERAL FUND TOTAL	\$125,000	\$125,000

FHM - Purchased Social Services 0961

Initiative: Allocates funds for child care services.

GENERAL FUND	2013-14	2014-15
All Other	\$2,430,000	\$2,430,000
GENERAL FUND TOTAL	\$2,430,000	\$2,430,000

FHM - Service Center 0957

Initiative: Allocates funds to provide a single point of access for purchasing social services and to coordinate licensing and auditing.

HP1002, LD 1406, item 1, 126th Maine State Legislature
 An Act To Reduce Youth Smoking and Improve Public Health by Increasing Revenue from the
 Cigarette Tax to the Fund for a Healthy Maine and To Pay Debts Owed to Health Care Providers

GENERAL FUND	2013-14	2014-15
All Other	\$780,000	\$780,000
GENERAL FUND TOTAL	\$780,000	\$780,000

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)		
DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$15,479,200	\$14,929,200
DEPARTMENT TOTAL - ALL FUNDS	\$15,479,200	\$14,929,200

PUBLIC SAFETY, DEPARTMENT OF

FHM - Fire Marshal 0964

Initiative: Allocates funds for the Office of the State Fire Marshal to assist in the inspection of day care facilities, nursing homes and medical facilities.

GENERAL FUND	2013-14	2014-15
All Other	\$1,400,000	\$1,400,000
GENERAL FUND TOTAL	\$1,400,000	\$1,400,000

PUBLIC SAFETY, DEPARTMENT OF		
DEPARTMENT TOTALS	2013-14	2014-15
GENERAL FUND	\$1,400,000	\$1,400,000
DEPARTMENT TOTAL - ALL FUNDS	\$1,400,000	\$1,400,000

SECTION TOTALS	2013-14	2014-15
GENERAL FUND	\$20,382,200	\$19,832,200
SECTION TOTAL - ALL FUNDS	\$20,382,200	\$19,832,200

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect July 1, 2013.

SUMMARY

This bill increases the cigarette tax by \$1.50 per package, from \$2.00 to \$3.50, to help deter the initial use of cigarettes by youth. It includes an appropriations and allocations section to fund certain programs through the Fund for a Healthy Maine and provides that any remaining funds must be used to retire debts owed to health care providers for services provided prior to December 1, 2012.