

BY: Senator Van Hollen

AMENDMENTS TO SENATE BILL NO. 237, AS AMENDED
(First Reading File Bill)

AMENDMENT NO. 1

On page 1 of the Budget and Taxation Committee Amendments (SB0237/609702/1), in line 3 of Amendment No. 1, after “1997” insert “Omnibus”; in the same line, strike “Reduction”; and in line 12, after “activity;” insert “altering the tobacco tax rate; altering a certain discount provision under the tobacco tax; requiring the Secretary of Agriculture to develop and implement a program to encourage and assist tobacco growers in the State to convert tobacco farmland to other productive uses; providing for the distribution of certain tobacco tax revenues in certain years to the program; creating a Tobacco Tax Health Protection Fund to be administered by the Secretary of Health and Mental Hygiene; providing for the use of the Fund; prohibiting the unspent portions of the Fund from reverting to the General Fund of the State; requiring the Comptroller to distribute a portion of the tobacco tax revenue to the Tobacco Tax Health Protection Fund; specifying certain transitional provisions;”.

AMENDMENT NO. 2

On page 1 of the bill, after line 7, insert:

“BY adding to

Article - Agriculture

Section 7-501 to be under the new subtitle “Subtitle 5. Tobacco Crop Conversion”

Annotated Code of Maryland

(1985 Replacement Volume and 1996 Supplement)

BY adding to

Article - Health - General

Section 24-901 through 24-903, inclusive, to be under the new subtitle “Subtitle 9. Tobacco Tax Health Protection Fund”

(Over)

Annotated Code of Maryland
(1996 Replacement Volume and 1996 Supplement)".

On page 1 of the Budget and Taxation Committee Amendments, in line 1 of Amendment No. 2, after "2-607," insert "2-1603,"; in line 3, strike the second "and"; and in the same line, after "11-210(b)(1)" insert ", 12-105, and 12-303(b)".

AMENDMENT NO. 3

On page 1 of the bill, after line 20, insert:

"Article - Agriculture

SUBTITLE 5. TOBACCO CROP CONVERSION.

7-501.

(A) THE SECRETARY SHALL DEVELOP AND IMPLEMENT A PROGRAM TO ENCOURAGE AND ASSIST TOBACCO GROWERS IN THE STATE TO CONVERT TOBACCO FARMLAND TO PRODUCTIVE USES OTHER THAN THE GROWING OF TOBACCO.

(B) MONEYS MAY BE EXPENDED FOR THE PROGRAM ONLY IF AN APPROPRIATION IS INCLUDED IN THE ANNUAL BUDGET BILL.

Article - Health - General

SUBTITLE 9. TOBACCO TAX HEALTH PROTECTION FUND.

24-901.

IN THIS SUBTITLE, "FUND" MEANS THE TOBACCO TAX HEALTH PROTECTION FUND ESTABLISHED UNDER § 24-902 OF THIS SUBTITLE.

24-902.

(A) THERE IS A TOBACCO TAX HEALTH PROTECTION FUND.

(B) THE FUND SHALL CONSIST OF THE TOBACCO TAX REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1603 OF THE TAX - GENERAL ARTICLE.

(C) THE SECRETARY SHALL ADMINISTER THE FUND AND SHALL DEDUCT FROM THE FUND THE AMOUNT NECESSARY TO ADMINISTER THE FUND.

(D) THE FUND SHALL BE USED ONLY AS PROVIDED IN § 24-903 OF THIS SUBTITLE.

(E) THE FUND SHALL BE MAINTAINED FOR THE PURPOSES STATED IN THIS SUBTITLE AND UNSPENT PORTIONS OF THE FUND SHALL REMAIN IN THE FUND AND MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.

(F) MONEYS MAY BE EXPENDED FROM THE FUND ONLY IF AN APPROPRIATION IS INCLUDED IN THE ANNUAL BUDGET BILL.

24-903.

(A) THE SECRETARY SHALL USE THE FUND:

(1) TO FUND ADDITIONAL PREVENTION AND TREATMENT SERVICES ADMINISTERED UNDER THE ALCOHOL AND DRUG ABUSE ADMINISTRATION; AND

(2) AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FOR DISSEMINATING CANCER PREVENTION MESSAGES DESIGNED TO DISCOURAGE THE USE OF CIGARETTES AND OTHER TOBACCO PRODUCTS.

(B) THE SECRETARY SHALL ACQUIRE BROADCAST TIME ON RADIO AND TELEVISION AND PRINT SPACE IN NEWSPAPERS AND MAGAZINES TO DISSEMINATE, WITH SPECIFIC EMPHASIS ON YOUTH AUDIENCES, INFORMATION FOR PUBLIC AWARENESS ON THE HEALTH EFFECTS OF CIGARETTES AND OTHER TOBACCO PRODUCTS.

(Over)

(C) ADDITIONAL FUNDING UNDER SUBSECTION (A) OF THIS SECTION SHALL BE USED AS AN ADDITION TO AND MAY NOT BE SUBSTITUTED FOR MONEYS APPROPRIATED FROM OTHER SOURCES FOR THESE PROGRAMS AND PURPOSES.”.

AMENDMENT NO. 4

On page 1 of the bill, before line 22, insert:

“2-1603.

After making the distributions required under §§ 2-1601 and 2-1602 of this subtitle, the Comptroller shall distribute:

(1) IN FISCAL YEARS 1998 AND 1999 ONLY, \$5,000,000 EACH YEAR TO A SPECIAL FUND TO BE USED ONLY TO FUND THE TOBACCO CROP CONVERSION PROGRAM UNDER § 7-501 OF THE AGRICULTURE ARTICLE;

(2) \$10,000,000 EACH YEAR TO THE TOBACCO TAX HEALTH PROTECTION FUND ESTABLISHED UNDER § 24-902 OF THE HEALTH - GENERAL ARTICLE; AND

(3) the remaining tobacco tax revenue to the General Fund of the State.”.

AMENDMENT NO. 5

On page 3 of the bill, in line 34, after the period, insert:

“12-105.

The tobacco tax rate is:

(1) [18] 33 cents for each package of 10 or fewer cigarettes;

(2) [36] 66 cents for each package of at least 11 and not more than 20 cigarettes;

(3) [1.8] 3.3 cents for each cigarette in a package of more than 20 cigarettes; and

(4) [1.8] 3.3 cents for each cigarette in a package of free sample cigarettes.

12-303.

(b) The Comptroller shall allow a licensed wholesaler a discount of [1.36%] 0.75% of the purchase price of tax stamps.”.

AMENDMENT NO. 6

On page 3 of the bill, before line 35, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That all cigarettes used, possessed, or held in the State of Maryland by any person for sale or use in the State of Maryland shall be subject to the full tobacco tax on cigarettes imposed by this Act. This requirement includes: (1) cigarettes in vending machines or other mechanical dispensers; and (2) cigarettes (generally referred to as “floor stock”) in packages which already bear stamps issued by the Comptroller under the State Tobacco Tax Act but for an amount less than the full tax imposed of 33 cents for each 10 cigarettes or fractional part thereof; all cigarettes held for sale by any person in the State of Maryland on and after July 1, 1997 which bear a tax stamp issued by the Comptroller of a value less than 66 cents for each pack of 20 cigarettes must be stamped with the additional stamps necessary to make the aggregate value equal to 66 cents. In lieu of the additional stamps necessary to make the aggregate tax value equal to 66 cents, the Comptroller may provide an alternate method of collecting the additional tax. The revenue attributable to this requirement shall be remitted to the State Comptroller’s Office by September 30, 1997. Except as provided above, on and after July 1, 1997, no Maryland stamp shall be used except the stamp issued by the Comptroller to evidence the tobacco tax on cigarettes of 66 cents imposed by this Act.”; and in line 36, strike “and shall” and substitute “. The income tax changes under Section 1 of this Act shall”.

On page 11 of the Budget and Taxation Committee Amendments, in lines 1, 3, and 7 of Amendment No. 9, strike “4.”, “5.”, and “6.”, respectively, and substitute “5.”, “6.”, and “7.”, respectively; and in line 2, strike “Section 1 of” and substitute “Sections 1 and 4 of”.

(Over)