



February 4, 2003

HOUSE BILL No. 1398

DIGEST OF HB 1398 (Updated January 30, 2003 10:11 AM - DI 92)

Citations Affected: IC 6-7; IC 16-46.

Synopsis: Funding of minority health initiatives. Establishes the minority health initiatives fund, consisting of money from the sale of cigarette tax stamps, to further minority health initiatives. Reduces the amount of the discount given distributors who purchase cigarette tax stamps.

Effective: July 1, 2003.

Summers, Budak

January 14, 2003, read first time and referred to Committee on Ways and Means.
February 3, 2003, reported — Do Pass.

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HB 1398—LS 7119/DI 101+



February 4, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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HOUSE BILL No. 1398

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-7-1-17, AS AMENDED BY P.L.192-2002(ss),
2 SECTION 136, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2003]: Sec. 17. (a) Distributors who hold
4 certificates and retailers shall be agents of the state in the collection of
5 the taxes imposed by this chapter and the amount of the tax levied,
6 assessed, and imposed by this chapter on cigarettes sold, exchanged,
7 bartered, furnished, given away, or otherwise disposed of by
8 distributors or to retailers. Distributors who hold certificates shall be
9 agents of the department to affix the required stamps and shall be
10 entitled to purchase the stamps from the department at a discount of
11 one and ~~two-tenths~~ **seventeen-hundredths** percent (~~1.2%~~) (**1.17%**) of
12 the amount of the tax stamps purchased, as compensation for their
13 labor and expense.

14 (b) The department may permit distributors who hold certificates
15 and who are admitted to do business in Indiana to pay for revenue
16 stamps within thirty (30) days after the date of purchase. However, the
17 privilege is extended upon the express condition that:

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1 (1) except as provided in subsection (c), a bond or letter of credit
 2 satisfactory to the department, in an amount not less than the sales
 3 price of the stamps, is filed with the department; and

4 (2) proof of payment is made of all local property, state income,
 5 and excise taxes for which any such distributor may be liable. The
 6 bond or letter of credit, conditioned to secure payment for the
 7 stamps, shall be executed by the distributor as principal and by a
 8 corporation duly authorized to engage in business as a surety
 9 company or financial institution in Indiana.

10 (c) If:

11 (1) there is an increase in the amount of the tax imposed upon
 12 cigarettes under this chapter; and

13 (2) a distributor has at least five (5) consecutive years of good
 14 credit standing with the state as of the effective date of the tax
 15 increase described in subdivision (1);

16 the amount of the bond required by subsection (b)(1) remains the same
 17 as before the increase in the tax on cigarettes took effect.

18 SECTION 2. IC 6-7-1-28.1, AS AMENDED BY P.L.192-2002(ss),
 19 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2003]: Sec. 28.1. **(a) An amount equal to**
 21 **three-hundredths percent (0.03%) of the amount of the tax stamps**
 22 **sold under section 14 of this chapter shall be deposited in the**
 23 **minority health initiatives fund established by IC 16-46-11-2.**

24 **(b) After the amount described in subsection (a) is deposited in**
 25 **the minority health initiatives fund, the remaining** taxes, registration
 26 fees, fines, or penalties collected under this chapter shall be deposited
 27 in the following manner:

28 (1) Six and six-tenths percent (6.6%) of the money shall be
 29 deposited in a fund to be known as the cigarette tax fund.

30 (2) Ninety-four hundredths percent (0.94%) of the money shall be
 31 deposited in a fund to be known as the mental health centers fund.

32 (3) Eighty-three and ninety-seven hundredths percent (83.97%)
 33 of the money shall be deposited in the state general fund.

34 (4) Eight and forty-nine hundredths percent (8.49%) of the money
 35 shall be deposited into the pension relief fund established in
 36 IC 5-10.3-11.

37 The money in the cigarette tax fund, the mental health centers fund, or
 38 the pension relief fund at the end of a fiscal year does not revert to the
 39 state general fund. However, if in any fiscal year, the amount allocated
 40 to a fund under subdivision (1) or (2) is less than the amount received
 41 in fiscal year 1977, then that fund shall be credited with the difference
 42 between the amount allocated and the amount received in fiscal year

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1 1977, and the allocation for the fiscal year to the fund under
2 subdivision (3) shall be reduced by the amount of that difference.

3 SECTION 3. IC 16-46-11-2 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2003]: **Sec. 2. (a) The minority health initiatives fund is**
6 **established for purposes of carrying out section 1 of this chapter.**
7 **The fund consists of the following:**

8 (1) Money deposited in the fund under IC 6-7-1-28.1.

9 (2) Money appropriated by the general assembly.

10 (3) Money received from any other source.

11 (b) The state department shall administer the fund. The state
12 department shall transfer money in the fund to the Indiana
13 Minority Health Coalition for purposes of carrying out section 1 of
14 this chapter.

15 (c) The expenses of administering the fund shall be paid from
16 money in the fund. There is annually appropriated to the state
17 department money in the minority health initiatives fund for the
18 department's use in carrying out this section.

19 (d) The treasurer of state shall invest the money in the fund not
20 currently needed to meet the obligations of the fund in the same
21 manner as other public money may be invested.

22 (e) Money in the fund at the end of a state fiscal year does not
23 revert to the state general fund.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1398, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 22, nays 5.

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