

FILED MAR 5 '03

SENATE FILE

279

BY LUNDBY

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to substance abuse prevention and treatment,
2 providing for an increase in the cigarette tax, making
3 appropriations, and providing an effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 279

WAYS & MEANS

1 Section 1. Section 453A.6, subsection 1, Code 2003, is
2 amended to read as follows:

3 1. There is imposed, and shall be collected and paid to
4 the department, the following taxes on all cigarettes used or
5 otherwise disposed of in this state for any purpose
6 whatsoever:

7 a. Class A.

8 (1) On cigarettes weighing not more than three pounds per
9 thousand, ~~eighteen-mills~~ one and eight-tenths cents on each
10 such cigarette.

11 (2) In addition to the tax imposed in subparagraph (1), on
12 cigarettes weighing not more than three pounds per thousand,
13 one and twenty-five one-hundredths cents on each cigarette.

14 b. Class B.

15 (1) On cigarettes weighing more than three pounds per
16 thousand, ~~eighteen-mills~~ one and eight-tenths cents on each
17 such cigarette.

18 (2) In addition to the tax imposed in subparagraph (1), on
19 cigarettes weighing not more than three pounds per thousand,
20 one and twenty-five one-hundredths cents on each cigarette.

21 Sec. 2. NEW SECTION. 453A.6A SUBSTANCE ABUSE TREATMENT
22 AND PREVENTION FUND -- ESTABLISHED -- APPROPRIATIONS.

23 1. There is created in the office of the treasurer of
24 state a substance abuse treatment and prevention fund. The
25 fund consists of the revenues generated from the tax imposed
26 on cigarettes pursuant to section 453A.6, subsection 1,
27 paragraph "a", subparagraph (2), and paragraph "b",
28 subparagraph (2). Moneys in the fund shall be used only as
29 specified in this section and are appropriated for the uses
30 specified. Moneys deposited in the fund shall not be
31 transferred, used, obligated, appropriated, or otherwise
32 encumbered except as provided in this section.

33 Notwithstanding section 8.33, any unexpended balance in the
34 fund at the end of the fiscal year shall be retained in the
35 fund. Notwithstanding section 12C.7, subsection 2, interest

1 or earnings on investments or time deposits of the moneys in
2 the fund shall be credited to the fund.

3 2. Moneys in the fund are appropriated for the fiscal year
4 beginning July 1, 2003, and annually thereafter, as follows:

5 a. Ten million dollars to the Iowa department of public
6 health for expansion and maintenance of community-based
7 substance abuse treatment programs.

8 b. Five million dollars to the department of corrections
9 for licensed substance abuse treatment in Iowa prisons.

10 c. Three million dollars to the department of corrections
11 for the drug court program for adults and juveniles.

12 d. One million dollars to the governor's office of drug
13 control policy for the diversion to treatment program.

14 e. Four million dollars to the governor's office of drug
15 control policy for jail-based treatment programs.

16 f. Four million dollars to the Iowa department of public
17 health to establish and operate a facility for the purpose of
18 providing a structured treatment program for persons with a
19 substance abuse problem who are on probation and under the
20 supervision of a judicial district department of correctional
21 services.

22 g. Two hundred seventy thousand dollars to the department
23 of human services for substance abuse treatment programs at
24 the state training school at Eldora.

25 h. One hundred twenty thousand dollars to the department
26 of human services for substance abuse treatment programs at
27 the juvenile home at Toledo.

28 i. Two million dollars to the Iowa department of public
29 health for comprehensive substance abuse prevention programs.

30 j. Fifteen million dollars to the Iowa department of
31 public health for the tobacco use prevention and control
32 initiative, including efforts at the state and local levels,
33 as provided in chapter 142A.

34 Sec. 3. Section 453A.35, Code 2003, is amended to read as
35 follows:

1 453A.35 TAX AND FEES PAID TO GENERAL FUND.

2 The proceeds derived from the sale of stamps and the
3 payment of taxes, fees and penalties provided for under this
4 chapter, and the permit fees received from all permits issued
5 by the department, with the exception of the proceeds derived
6 from payment of taxes pursuant to section 453A.6, subsection
7 1, paragraph "a", subparagraph (2), and paragraph "b",
8 subparagraph (2), shall be credited to the general fund of the
9 state. All permit fees provided for in this chapter and
10 collected by cities in the issuance of permits granted by the
11 cities shall be paid to the treasurer of the city where the
12 permit is effective, or to another city officer as designated
13 by the council, and credited to the general fund of the city.
14 Permit fees so collected by counties shall be paid to the
15 county treasurer.

16 Sec. 4. EFFECTIVE DATE. The section of this Act amending
17 section 453A.6, subsection 1, being deemed of immediate
18 importance, takes effect upon enactment.

19 EXPLANATION

20 This bill provides for a tax on cigarettes, in addition to
21 the tax of 1.8 cents on each cigarette, of 1.25 cents per
22 cigarette. The additional revenues generated are to be
23 credited to the substance abuse treatment and prevention fund
24 established in the bill. The bill specifies standing
25 appropriations of the moneys credited to the fund, annually,
26 as follows:

27 1. Ten million dollars to the Iowa department of public
28 health for expansion and maintenance of community-based
29 substance abuse treatment programs.

30 2. Five million dollars to the department of corrections
31 for licensed substance abuse treatment in Iowa prisons.

32 3. Three million dollars to the department of corrections
33 for the drug court program for adults and juveniles.

34 4. One million dollars to the governor's office of drug
35 control policy for the diversion to treatment program.

1 5. Four million dollars to the governor's office of drug
2 control policy for jail-based treatment programs.

3 6. Four million dollars to the Iowa department of public
4 health to establish and operate a facility for the purpose of
5 providing a structured treatment program for persons with a
6 substance abuse problem who are on probation and under the
7 supervision of a judicial district department of correctional
8 services.

9 7. Two hundred seventy thousand dollars to the department
10 of human services for substance abuse treatment programs at
11 the state training school at Eldora.

12 8. One hundred twenty thousand dollars to the department
13 of human services for substance abuse treatment programs at
14 the juvenile home at Toledo.

15 9. Two million dollars to the Iowa department of public
16 health for comprehensive substance abuse prevention programs.

17 10. Fifteen million dollars to the Iowa department of
18 public health for the tobacco use prevention and control
19 initiative, including efforts at the state and local levels,
20 as provided in Code chapter 142A.

21 The portion of the bill relating to the additional tax on
22 cigarettes takes effect upon enactment.

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