

By Representative Saunders

1 A bill to be entitled
2 An act relating to tax on cigarettes; amending
3 s. 210.02, F.S.; increasing the rate of the
4 excise tax on cigarettes; amending s. 210.20,
5 F.S.; revising the distribution of proceeds of
6 the tax; providing for distribution of proceeds
7 to fund health care programs and services;
8 requiring rulemaking; providing for a tax on
9 the inventory of cigarettes on hand on the
10 effective date of the act; providing for
11 application of penalties and interest;
12 providing for distribution of the proceeds of
13 the inventory tax; requiring rulemaking;
14 providing an effective date.

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16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Subsections (1) through (5) of section
19 210.02, Florida Statutes, are amended to read:

20 210.02 Cigarette tax imposed; collection.--

21 (1) An excise or privilege tax, in addition to all
22 other taxes of every kind imposed by law, is imposed upon the
23 sale, receipt, purchase, possession, consumption, handling,
24 distribution, and use of cigarettes in this state, in the
25 following amounts, except as hereinafter otherwise provided,
26 for cigarettes of standard dimensions:

27 (a) Upon all cigarettes weighing not more than 3
28 pounds per thousand, 21.95 ~~16.95~~ mills on each cigarette.

29 (b) Upon all cigarettes weighing more than 3 pounds
30 per thousand and not more than 6 inches long, 43.9 ~~33.9~~ mills
31 on each cigarette.

1 (c) Upon all cigarettes weighing more than 3 pounds
2 per thousand and more than 6 inches long, 87.8 ~~67.8~~ mills on
3 each cigarette.

4 (2) The description of cigarettes contained in
5 paragraphs (a), (b), and (c) of subsection (1) are hereby
6 declared to be standard as to dimensions for taxing purposes
7 as provided in this law and should any cigarette be received,
8 purchased, possessed, sold, offered for sale, given away, or
9 used of a size other than of standard dimensions, the same
10 shall be taxed at the rate of 1.83 ~~1.41~~ cents on each such
11 cigarette.

12 (3) When cigarettes as described in paragraph (1)(a)
13 are packed in varying quantities of 20 cigarettes or less,
14 except manufacturer's free samples authorized under s.
15 210.04(9), the following rate shall govern:

16 (a) Packages containing 10 cigarettes or less require
17 a ~~16.95-cent~~ tax of 21.95 cents per package.

18 (b) Packages containing more than 10 but not more than
19 20 cigarettes require a ~~33.9-cent~~ tax of 43.9 cents per
20 package.

21 (4) When cigarettes as described in paragraph (1)(b)
22 are packed in varying quantities of 20 cigarettes or less,
23 except manufacturer's free samples authorized under s.
24 210.04(9), the following rates shall govern:

25 (a) Packages containing 10 cigarettes or less require
26 a ~~33.9-cent~~ tax of 43.9 cents per package.

27 (b) Packages containing more than 10 but not more than
28 20 cigarettes require a ~~67.8-cent~~ tax of 87.8 cents per
29 package.

30 (5) When cigarettes as described in paragraph (1)(c)
31 are packed in varying quantities of 20 cigarettes or less,

1 except manufacturer's free samples authorized under s.
2 210.04(9), the following rates shall govern:
3 (a) Packages containing 10 cigarettes or less require
4 a ~~67.8-cent~~ tax of 87.8 cents per package.
5 (b) Packages containing more than 10 but not more than
6 20 cigarettes require a ~~135.6-cent~~ tax of \$1.756 per package.
7 Section 2. Paragraph (a) of subsection (2) of section
8 210.20, Florida Statutes, is amended to read:
9 210.20 Employees and assistants; distribution of
10 funds.--
11 (2) As collections are received by the division from
12 such cigarette taxes, it shall pay the same into a trust fund
13 in the State Treasury designated "Cigarette Tax Collection
14 Trust Fund" which shall be paid and distributed as follows:
15 (a) The division shall from month to month certify to
16 the Comptroller the amount derived from the cigarette tax
17 imposed by s. 210.02, less the service charges provided for in
18 s. 215.20 and less 0.72 ~~0.9~~ percent of the amount derived from
19 the cigarette tax imposed by s. 210.02, which shall be
20 deposited into the Alcoholic Beverage and Tobacco Trust Fund,
21 specifying the amounts to be transferred from the Cigarette
22 Tax Collection Trust Fund and credited on the basis of 4.6 ~~5.8~~
23 percent of the net collections to the Municipal Financial
24 Assistance Trust Fund, 25.71 ~~32.4~~ percent of the net
25 collections to the Revenue Sharing Trust Fund for
26 Municipalities, 2.3 ~~2.9~~ percent of the net collections to the
27 Revenue Sharing Trust Fund for Counties, 23.25 ~~and 29.3~~
28 percent of the net collections for the funding of indigent
29 health care to the Public Medical Assistance Trust Fund, and
30 20.66 percent of the net collections to the Department of
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1 Health to fund health care programs and services in the
2 following manner:
3 1. As a specific set-aside, \$25 million shall be
4 transferred to the Florida Healthy Kids Corporation to fund
5 provisions of s. 624.91.
6 2. Of the remaining funds:
7 a. Twenty percent shall be used to fund an educational
8 media campaign which includes alcohol and other drugs, but
9 focuses on tobacco. Target populations should include
10 preteens, teens, and parents.
11 b. Twenty-five percent shall be used to fund
12 competitive grants among school districts which shall be used
13 for tobacco, alcohol, and substance abuse prevention
14 activities, including, but not limited to, peer education
15 clubs, alternative to suspension programs, and other
16 youth-based prevention programs as part of the comprehensive
17 health education and substance abuse prevention program
18 provided in all public and laboratory schools pursuant to s.
19 233.067. The administration of grants according to this
20 sub-subparagraph shall be pursuant to rules adopted by the
21 State Board of Education.
22 c. Forty-five percent shall be transferred to local
23 county health departments or community-based organizations to
24 support tobacco, alcohol, and substance abuse prevention
25 activities targeting students enrolled in school. The
26 Department of Health shall establish appropriate reporting and
27 compliance requirements necessary to achieve the goals of this
28 sub-subparagraph.
29 d. Ten percent shall be used by the Department of
30 Health to contract with a Florida-based independent third
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1 party with expertise in tobacco, alcohol, and substance abuse
2 to provide the following:

3 (I) A comprehensive review of all state, county, and
4 municipal laws and ordinances to identify existing provisions
5 contrary to the effort to prevent underage use of tobacco,
6 alcohol, and illegal drugs.

7 (II) A recommendation for the development of a
8 multifaceted education program to assist in the compliance and
9 enforcement of existing laws and rules.

10 (III) Ongoing needs assessment, training of personnel,
11 and evaluation of the programs and services provided for in
12 sub-subparagraphs a.-c. The assessment shall include measures
13 to determine the prevalence of students enrolled in Florida
14 schools who smoke.

15 3. The Department of Health shall adopt rules
16 necessary to implement the provisions of subparagraphs 1. and
17 2.

18 Section 3. On July 1, 1997, before opening for
19 business, each manufacturer, distributor, wholesaler, and
20 vendor in this state shall take an inventory of the cigarettes
21 on hand and shall certify the amount of the inventory to the
22 Division of Alcoholic Beverages and Tobacco of the Department
23 of Business and Professional Regulation on or before July 10,
24 1997, accompanied by a check or a money order for the amount
25 of increased tax due upon the inventory. The tax on inventory
26 is at the rate of 10 cents for each package of 20 cigarettes
27 of standard dimensions. The provisions of chapter 210, Florida
28 Statutes, that relate to penalties and interest for delinquent
29 payments apply to the tax imposed by this section. The
30 proceeds of the tax imposed upon inventory by this section
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1 shall be transferred to the Department of Health to fund
2 health care programs and services in the following manner:

3 (1) As a specific set-aside, \$25 million shall be
4 transferred to the Florida Healthy Kids Corporation to fund
5 provisions of s. 624.91, Florida Statutes.

6 (2) Of the remaining funds:

7 (a) Twenty percent shall be used to fund an
8 educational media campaign which includes alcohol and other
9 drugs, but focuses on tobacco. Target populations should
10 include preteens, teens, and parents.

11 (b) Twenty-five percent shall be used to fund
12 competitive grants among school districts which shall be used
13 for tobacco, alcohol, and substance abuse prevention
14 activities, including, but not limited to, peer education
15 clubs, alternative to suspension programs, and other
16 youth-based prevention programs as part of the comprehensive
17 health education and substance abuse prevention program
18 provided in all public and laboratory schools pursuant to s.
19 233.067, Florida Statutes. The administration of grants
20 according to this paragraph shall be pursuant to rules adopted
21 by the State Board of Education.

22 (c) Forty-five percent shall be transferred to local
23 county health departments or community-based organizations to
24 support tobacco, alcohol, and substance abuse prevention
25 activities targeting students enrolled in school. The
26 Department of Health shall establish appropriate reporting and
27 compliance requirements necessary to achieve the goals of this
28 paragraph.

29 (d) Ten percent shall be used by the Department of
30 Health to contract with a Florida-based independent third
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1 party with expertise in tobacco, alcohol, and substance abuse
2 to provide the following:

3 1. A comprehensive review of all state, county, and
4 municipal laws and ordinances to identify existing provisions
5 contrary to the effort to prevent underage use of tobacco,
6 alcohol, and illegal drugs.

7 2. A recommendation for the development of a
8 multifaceted education program to assist in the compliance and
9 enforcement of existing laws and rules.

10 3. Ongoing needs assessment, training of personnel,
11 and evaluation of the programs and services provided for in
12 paragraphs (a)-(c). The assessment shall include measures to
13 determine the prevalence of students enrolled in Florida
14 schools who smoke.

15 (3) The Department of Health shall adopt rules
16 necessary to implement the provisions of subsections (1) and
17 (2).

18 Section 4. This act shall take effect July 1, 1997.

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21 HOUSE SUMMARY

22 Increases the rate of the excise tax on cigarettes.
23 Provides that revenue resulting from this increase be
24 used to fund specified health care programs and services.
25 Provides for a tax on the inventory of cigarettes on hand
26 on the effective date of the act.
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