

SECOND REGULAR SESSION

# HOUSE BILL NO. 1299

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE RIBACK WILSON (25).

Read 1<sup>st</sup> time January 28, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4135L.011

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### AN ACT

To amend chapter 149, RSMo, by adding thereto five new sections relating to taxes on the sale of cigarettes and tobacco products, with an emergency clause.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 149, RSMo, is amended by adding thereto five new sections, to be  
2 known as sections 149.250, 149.253, 149.256, 149.259, and 149.260, to read as follows:

**149.250. 1. Beginning July 1, 2004, in addition to the taxes imposed by sections  
2 149.015, 149.082, and 149.160, there is hereby imposed additional taxes upon the sale of  
3 cigarettes and tobacco products as provided in this section. Such taxes shall be equal to:**

**4 (1) For cigarettes, twenty-seven and one-half mills per cigarette; and**

**5 (2) For tobacco products other than cigarettes, twenty percent of the  
6 manufacturer's invoice price before discounts and deals.**

7

**8 The taxes imposed by this section shall be collected in the same manner and at the same  
9 time as the taxes imposed, respectively, upon cigarettes by section 149.015, and upon  
10 tobacco products other than cigarettes by section 149.160.**

**11 2. From July 1, 2004, until June 30, 2005, all proceeds from the additional taxes  
12 imposed in subsection 1 of this section shall be appropriated and used solely to provide  
13 funding for the state Medicaid program and the Missouri senior Rx program.**

**14 3. After June 30, 2005, the state treasurer shall credit to and deposit in the  
15 following funds all proceeds from the additional taxes imposed by subsection 1 of this  
16 section as such proceeds are received:**

**17 (1) Eighty-five percent of such proceeds shall be credited to and deposited in the  
18 "Health Care Fund" which is hereby created in the state treasury, and shall be used solely**

19 for funding of the state Medicaid program and the Missouri senior Rx program as  
20 specified in section 149.253;

21 (2) Ten percent of such proceeds shall be credited to and deposited in the "Life  
22 Sciences Fund" which is hereby created in the state treasury, and shall be used solely for  
23 increasing the capacity for quality of life sciences research in the state of Missouri as  
24 specified in section 149.256; and

25 (3) Five percent of such proceeds shall be credited to and deposited in the "Tobacco  
26 Prevention Fund" which is hereby created in the state treasury, and shall be used solely  
27 for the purpose of tobacco and addiction prevention, education, and cessation as specified  
28 in section 149.259.

29 4. Any moneys credited to and deposited in the funds established in subsection 3  
30 of this section shall be appropriated by the general assembly and used solely for the  
31 programs, services, or purposes which are authorized for such funds as provided in  
32 sections 149.250 to 149.259. Such moneys shall not be subject to the provisions of section  
33 33.080, RSMo, and any unexpended balances remaining in such funds shall not revert to  
34 the credit of general revenue. All interest which accrues upon the moneys in the funds  
35 established in subsection 3 of this section shall be credited to such funds.

149.253. The moneys in the health care fund established in subsection 3 of section  
2 149.250 shall be appropriated and used solely for the following purposes, programs, and  
3 services:

4 (1) For health care, including mental health services, that would not be prohibited  
5 Medicaid-eligible services under the state Medicaid program; and

6 (2) For prescription drug costs for senior citizens through the Missouri senior Rx  
7 program.

149.256. 1. The life sciences fund established in subsection 3 of section 149.250  
2 shall be appropriated and used solely to increase the capacity for quality life sciences  
3 research in the state of Missouri and to thereby improve the quantity and quality of life  
4 sciences research, including but not limited to:

5 (1) Basic research, including the discovery of new knowledge;

6 (2) Translational research, including translating knowledge into a usable form;

7 (3) Developmental research and clinical research, including the literal application  
8 of a therapy or intervention to determine its efficacy;

9 (4) Health research in human development and aging;

10 (5) Research on cancer, endocrine, cardiovascular, neurological, pulmonary, and  
11 infectious diseases; and

12 (6) Nutrition and food safety.

13

14 **Moneys may be used for purposes authorized by this section and are subject to the**  
15 **restrictions of this section, including but not limited to the costs of personnel, supplies,**  
16 **equipment, and renovation or construction of physical facilities; provided that in any single**  
17 **fiscal year no more than ten percent of the moneys appropriated shall be used for the**  
18 **construction of physical facilities and no more than five percent of the moneys**  
19 **appropriated for any grant or contract shall be used for administrative expenses.**

20 **2. The recipients of grants and contracts shall abide by the requirements of this**  
21 **section and other applicable federal and state laws and regulations. The failure to fully**  
22 **comply with the requirements, including complete and timely reporting of progress and**  
23 **expenditures, shall be grounds for the termination of the grants or contracts.**

24 **3. Grant or contract awards made with moneys appropriated from the life sciences**  
25 **fund shall provide for the reimbursement of costs. Whether reimbursement of particular**  
26 **costs is allowed will depend on the application of a four-part balancing test which shall**  
27 **include:**

28 **(1) The reasonableness of the costs;**

29 **(2) The connection to the grant or contract;**

30 **(3) The consistency demonstrated in assigning costs to the grant or contract; and**

31 **(4) Conformance with the particular terms and conditions of the award or contract**  
32 **as well as any other requirements of this section.**

33 **4. All grant and contract recipients shall preserve research freedom, ensure timely**  
34 **disclosure of their research findings to the scientific community and the funding authority,**  
35 **including through reports, publications, and presentations at scientific meetings, and**  
36 **promote utilization, commercialization, and public availability of their inventions and**  
37 **other intellectual property developed as a general institutional policy. Institutions or**  
38 **organizations receiving grant or contract awards shall retain all rights, title, and interest,**  
39 **including intellectual property rights, in and to any and all inventions, ideas, data,**  
40 **improvements, modifications, discoveries, know-how, creations, copyrightable material,**  
41 **trade secrets, methods, processes, discoveries, and derivatives, regardless of patentability,**  
42 **which are made in the performance of work under a grant or contract award; provided,**  
43 **however, that any such intellectual property rights shall be utilized reasonably and in a**  
44 **manner which shall be in the public interest.**

45 **5. The recipients of each grant and contract shall make progress reports on the**  
46 **research undertaken and the expenditure of moneys in the manner and at the intervals as**  
47 **required for use in an annual report, and at other times as necessary to assure the**  
48 **appropriate use of moneys. A report of the moneys expended from the life sciences fund,**

49 the grants and contracts undertaken, and the progress status of all grants and contracts  
50 receiving moneys shall be provided annually by November 1, 2006, and every November  
51 first thereafter to the general assembly and the governor.

149.259. The tobacco prevention fund established in subsection 3 of section 149.250  
2 shall be appropriated and used solely for the purpose of tobacco and addiction prevention,  
3 and education and tobacco cessation, including but not limited to programs to prevent  
4 tobacco usage by minors, to prevent and reduce tobacco usage generally, and to prevent  
5 tobacco addiction.

149.260. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

2 (1) The provisions of the new program authorized under sections 149.250 to  
3 149.260 shall automatically sunset six years after the effective date of sections 149.250 to  
4 149.260 unless reauthorized by an act of the general assembly; and

5 (2) If such program is reauthorized, the program authorized under sections 149.250  
6 to 149.260 shall automatically sunset twelve years after the effective date of the  
7 reauthorization of sections 149.250 to 149.260; and

8 (3) Sections 149.250 to 149.260 shall terminate on September first of the calendar  
9 year immediately following the calendar year in which the program authorized under  
10 sections 149.250 to 149.260 is sunset.

Section B. Because immediate action is necessary to ensure adequate resources for health  
2 care services in this state, section A of this act is deemed necessary for the immediate  
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an  
4 emergency act within the meaning of the constitution, and section A of this act shall be in full  
5 force and effect on July 1, 2004, or upon its passage and approval, whichever later occurs.