

As Introduced

**124th General Assembly
Regular Session
2001-2002**

S. B. No. 242

SENATOR Carnes (By Request)

A B I L L

To amend sections 126.02, 183.02, 183.06, 183.12, 183.14, 183.30, 5743.03, and 5743.99, to enact sections 183.34 and 183.35, and to repeal section 183.31 of the Revised Code; to amend Section 32 of Am. Sub. H.B. 405 of the 124th General Assembly; and to repeal Section 103.03 of Am. Sub. H.B. 94 of the 124th General Assembly to modify the administration of tobacco settlement funds and to make operating and capital appropriations for the biennium beginning July 1, 2002, and ending June 30, 2004.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 126.02, 183.02, 183.06, 183.12, 183.14, 183.30, 5743.03, and 5743.99 be amended and sections 183.34 and 183.35 of the Revised Code be enacted to read as follows:

Sec. 126.02. The director of budget and management shall prepare and submit to the governor, biennially, not later than the first day of January preceding the convening of the general assembly, state budget estimates of revenues and expenditures for each state fund and budget estimates for each state agency, except

such estimates as are required under section ~~126.22~~ 126.022 of the Revised Code. The budget estimates for each state agency for which direct appropriations are proposed shall include the following details:

(A) Estimates of the operating budget;

(B) Estimates of the subsidy appropriations necessary, delineated by a distinct subsidy program;

(C) Estimates for special purposes, delineated by a distinct special purpose program;

(D) Estimates of appropriations necessary from each fund in reasonable detail to allow for adequate planning and oversight of programs and activities.

In the preparation of state revenue and expenditure estimates, the director of budget and management shall, not later than the fifteenth day of September in the year preceding the first regular session of the general assembly, distribute to all affected state agencies the forms necessary for the preparation of budget requests, which shall be in the form prescribed by the director in consultation with ~~the legislative budget office~~ of the legislative service commission to procure information concerning the revenues and expenditures for the preceding and current bienniums, an estimate of the revenues and expenditures of the current fiscal year, and an estimate of the revenues and proposed expenditures for the respective agencies for the two succeeding fiscal years for which appropriations have to be made. Each such agency shall, not later than the first day of November, file with the director its estimate of revenues and proposed expenditures for the succeeding biennium.

Each such agency shall, not later than the first day of December, file with the chairperson of the finance committees of the senate and house of representatives and the legislative ~~budget~~

office service commission a duplicate copy of such budget request. 52

The budget request shall be accompanied by a statement in 53
writing giving facts and explanation of reasons for the items 54
requested. The director and the legislative ~~budget office service~~ 55
commission may make further inquiry and investigation as to any 56
item desired. The director may approve, disapprove, or alter the 57
requests, excepting those for the legislative and judicial 58
branches of the state. The requests as revised by the director 59
constitute the state budget estimates of revenues and expenditures 60
which the director is required to submit to the governor. 61

Sec. 183.02. This section's references to years mean state 62
fiscal years. 63

All payments received by the state pursuant to the tobacco 64
master settlement agreement shall be deposited into the state 65
treasury to the credit of the tobacco master settlement 66
fund, which is hereby created. All investment earnings of the fund 67
shall also be credited to the fund. Except as provided in division 68
(~~I~~)(K) of this section, payments and interest credited to the fund 69
shall be transferred by the director of budget and management as 70
follows: 71

(A)(1) Of the first payment credited to the tobacco master 72
settlement agreement fund in 2000 and the net amounts credited to 73
the fund annually from 2000 to 2006 and in 2012, the following 74
amount or percentage shall be transferred to the tobacco use 75
prevention and cessation trust fund, created in section 183.03 of 76
the Revised Code: 77

YEAR	AMOUNT OR PERCENTAGE	78
2000 (first payment credited)	\$104,855,222.85	79
2000 (net amount credited)	70.30%	80
2001	62.84	81
2002	61.41	82

2003	63.24	83
2004	66.65	84
2005	66.24	85
2006	65.97	86
2012	56.01	87

(2) Of the net amounts credited to the tobacco master settlement agreement fund in 2013, the director shall transfer to the tobacco use prevention and cessation trust fund the amount not transferred to the tobacco use prevention and cessation trust fund from the net amounts credited to the tobacco master settlement agreement fund in 2002 due to Am. Sub. H.B. No. 405 of the 124th general assembly. Of the net amounts credited to the tobacco master settlement agreement fund in 2014, the director shall transfer to the tobacco use prevention and cessation trust fund the amount not transferred to the tobacco use prevention and cessation trust fund from the net amounts credited to the tobacco master settlement agreement fund in 2003 due to Am. Sub. H.B. No. 405 of the 124th general assembly.

(B) Of the first payment credited to the tobacco master settlement agreement fund in 2000 and the net amounts credited to the fund annually in 2000 and 2001, the following amount or percentage shall be transferred to the law enforcement improvements trust fund, created in section 183.10 of the Revised Code:

YEAR	AMOUNT OR PERCENTAGE	
2000 (first payment credited)	\$10,000,000	108
2000 (net amount credited)	5.41%	109
2001	2.32	110

(C)(1) Of the first payment credited to the tobacco master settlement agreement fund in 2000 and the net amounts credited to the fund annually from 2000 to 2011, the following percentages shall be transferred to the southern Ohio agricultural and

community development trust fund, created in section 183.11 of the Revised Code:

YEAR	PERCENTAGE
2000 (first payment credited)	5.00%
2000 (net amount credited)	8.73
2001	8.12
2002	9.18
2003	8.91
2004	7.84
2005	7.79
2006	7.76
2007	17.39
2008 through 2011	17.25

(2) Of the net amounts credited to the tobacco master settlement agreement fund in 2013, the director shall transfer to the southern Ohio agricultural and community development trust fund the amount not transferred to the southern Ohio agricultural and community development trust fund from the net amounts credited to the tobacco master settlement agreement fund in 2002 due to Am. Sub. H.B. No. 405 of the 124th general assembly. Of the net amounts credited to the tobacco master settlement agreement fund in 2014, the director shall transfer to the southern Ohio agricultural and community development trust fund the amount not transferred to the southern Ohio agricultural and community development trust fund from the net amounts credited to the tobacco master settlement agreement fund in 2003 due to Am. Sub. H.B. No. 405 of the 124th general assembly.

(D)(1) The following percentages of the net amounts credited to the tobacco master settlement agreement fund annually shall be transferred to Ohio's public health priorities trust fund, created in section 183.18 of the Revised Code:

YEAR	PERCENTAGE
------	------------

2000	5.41	147
2001	6.68	148
2002	6.79	149
2003	6.90	150
2004	7.82	151
2005	8.18	152
2006	8.56	153
2007	19.83	154
2008	19.66	155
2009	20.48	156
2010	21.30	157
2011	22.12	158
2012	10.47	159

(2) Of the net amounts credited to the tobacco master settlement agreement fund in 2013, the director shall transfer to ~~the Ohio~~ Ohio's public health priorities trust fund the amount not transferred to ~~the Ohio~~ Ohio's public health priorities trust fund from the net amounts credited to the tobacco master settlement agreement fund in 2002 due to Am. Sub. H.B. No. 405 of the 124th general assembly. Of the net amounts credited to the tobacco master settlement agreement fund in 2014, the director shall transfer to ~~the Ohio~~ Ohio's public health priorities trust fund the amount not transferred to ~~the Ohio~~ Ohio's public health priorities trust fund from the net amounts credited to the tobacco master settlement agreement fund in 2003 due to Am. Sub. H.B. No. 405 of the 124th general assembly.

(E) The following percentages of the net amounts credited to the tobacco master settlement agreement fund annually shall be transferred to the biomedical research and technology transfer trust fund, created in section 183.19 of the Revised Code:

YEAR	PERCENTAGE	
2000	2.71	178

2001	14.03	179
2002	13.29	180
2003	12.73	181
2004	13.78	182
2005	14.31	183
2006	14.66	184
2007	49.57	185
2008 to 2011	45.06	186
2012	18.77	187

(F) Of the amounts credited to the tobacco master settlement agreement fund annually, the following amounts shall be transferred to the education facilities trust fund, created in section 183.26 of the Revised Code:

YEAR	AMOUNT	
2000	\$133,062,504.95	193
2001	128,938,732.73	194
2002	185,804,475.78	195
2003	180,561,673.11	196
2004	122,778,219.49	197
2005	121,389,325.80	198
2006	120,463,396.67	199
2007	246,389,369.01	200
2008 to 2011	267,531,291.85	201
2012	110,954,545.28	202

(G) Of the amounts credited to the tobacco master settlement agreement fund annually, from 2000 to 2012 five million dollars per year shall be transferred to the education facilities endowment fund, created in section 183.27 of the Revised Code. From 2013 to 2025, the following percentages of the amounts credited to the tobacco master settlement agreement fund annually shall be transferred to the endowment fund:

YEAR	PERCENTAGE	
		210

2013	30.22	211
2014	33.36	212
2015 to 2025	40.90	213

(H) The following percentages of the net amounts credited to the tobacco master settlement agreement fund annually shall be transferred to the education technology trust fund, created in section 183.28 of the Revised Code:

YEAR	PERCENTAGE	
2000	7.44	219
2001	6.01	220
2002	9.33	221
2003	8.22	222
2004	3.91	223
2005	3.48	224
2006	3.05	225
2007	13.21	226
2008	18.03	227
2009	17.21	228
2010	16.39	229
2011	15.57	230
2012	14.75	231

(I) In each year from 2003 to 2025, after the transfers made under divisions (F) and (G) of this section but prior to the transfers made under divisions (A) to (E) of this section, the director of budget and management shall transfer to the tobacco settlement oversight, administration, and enforcement fund created in section 183.34 of the Revised Code such amount as the director determines necessary to pay the costs incurred by the attorney general in tobacco settlement oversight, administration, and enforcement.

(J) In each year from 2003 to 2025, after the transfers made under divisions (F) and (G) of this section but prior to the

transfers made under divisions (A) to (E) of this section, the 243
director of budget and management shall transfer to the tobacco 244
settlement enforcement fund created in section 183.35 of the 245
Revised Code such amount as the director determines necessary to 246
pay the costs incurred by the tax commissioner in the enforcement 247
of divisions (F) and (G) of section 5743.03 of the Revised Code. 248

(K) If in any year from 2001 to 2012 the payments and 249
interest credited to the tobacco master settlement agreement fund 250
during the year amount to less than the amounts required to be 251
transferred to the education facilities trust fund and the 252
education facilities endowment fund that year, the director of 253
budget and management shall make none of the transfers required by 254
divisions (A) to ~~(H)~~(J) of this section. 255

~~(J)~~(L) If in any year from 2000 to 2025 the payments credited 256
to the tobacco master settlement agreement fund during the year 257
exceed the following amounts, the director of budget and 258
management shall transfer the excess to the income tax reduction 259
fund, created in section 131.44 of the Revised Code: 260

YEAR	AMOUNT	
2000	\$443,892,767.51	262
2001	348,780,049.22	263
2002	418,783,038.09	264
2003	422,746,368.61	265
2004	352,827,184.57	266
2005	352,827,184.57	267
2006	352,827,184.57	268
2007	352,827,184.57	269
2008 to 2017	383,779,323.15	270
2018 to 2025	403,202,282.16	271

Sec. 183.06. The board of trustees of the tobacco use 272
prevention and control foundation shall appoint and set the 273

compensation of an executive director and other employees needed 274
to carry out the duties of the foundation. Before entering upon 275
the discharge of the duties of office, the executive director 276
shall give a bond to the state, to be approved by the governor, 277
conditioned for the faithful performance of the duties of office. 278
The executive director and the other employees of the foundation 279
are state employees and serve in the unclassified service. 280

There is hereby created in the state treasury the tobacco use 281
prevention and control operating expenses fund. The treasurer of 282
state shall periodically pay into the fund, from the tobacco use 283
prevention and control endowment fund created in section 183.08 of 284
the Revised Code, amounts requested by the foundation to pay the 285
compensation of state employees of the foundation. Amounts 286
credited to the operating expenses fund shall be used by the 287
foundation solely to pay the compensation of the state employees 288
of the foundation. All investment earnings of the operating 289
expenses fund shall be credited to the fund. 290

Sec. 183.12. There is hereby created the southern Ohio 291
agricultural and community development foundation, the general 292
management of which is vested in a board of trustees of twelve 293
members as follows: 294

(A) The director of agriculture, director of development, 295
executive director of the Ohio rural development partnership, and 296
director or designee of the director of the Ohio state university 297
extension, who shall serve as ex officio officers; 298

(B) Two residents of major tobacco-producing counties with 299
experience in local agricultural economic development or community 300
development appointed by the governor; 301

(C) Three active farmers from major tobacco-producing 302
counties, who shall be appointed by the governor, two of whom 303
shall be appointed from a list of at least four individuals 304

recommended by the Ohio farm bureau and one of whom shall be 305
appointed from a list of at least two individuals recommended by 306
the farmers' union; 307

(D) Three active tobacco farmers from major tobacco-producing 308
counties, who shall be appointed by the governor from a list of at 309
least six individuals recommended by the Ohio tobacco growers 310
association. 311

The appointments of the governor shall be with the advice and 312
consent of the senate. 313

Terms of office for the members appointed by the governor 314
shall be for five years. Each such member shall hold office from 315
the date of appointment until the end of the term for which the 316
member was appointed. Any member appointed by the governor to fill 317
a vacancy occurring prior to the expiration of the term for which 318
the member's predecessor was appointed shall hold office for the 319
remainder of such term. Any member appointed by the governor shall 320
continue in office subsequent to the expiration date of the 321
member's term until the member's successor takes office, or until 322
a period of sixty days has elapsed, whichever occurs first. The 323
governor may remove any member appointed by the governor for 324
malfeasance, misfeasance, or nonfeasance after a hearing in 325
accordance with Chapter 119. of the Revised Code. 326

A vacancy on the board shall be filled in the same manner as 327
the original appointment. 328

The members of the board shall serve without compensation but 329
shall receive their reasonable and necessary expenses incurred in 330
the conduct of foundation business. 331

Sections 101.82 to 101.87 of the Revised Code do not apply to 332
the foundation. 333

As used in this section, "major tobacco-producing counties" 334
means any of the counties, ranked in descending order of pounds 335

produced, where ninety-five per cent of the 1998 burley tobacco
quota for the state was produced.

336
337

Sec. 183.14. The board of trustees of the southern Ohio
agricultural and community development foundation shall appoint
and set the compensation of an executive director and other
employees needed to carry out the duties of the foundation. Before
entering upon the discharge of the duties of office, the executive
director shall give a bond to the state, to be approved by the
governor, conditioned for the faithful performance of the duties
of office. The executive director and the other employees of the
foundation are state employees and serve in the unclassified
service.

338
339
340
341
342
343
344
345
346
347

There is hereby created in the state treasury the southern
Ohio agricultural and community development operating expenses
fund. The treasurer of state shall periodically pay into the fund,
from the southern Ohio agricultural and community development
foundation endowment fund created in section 183.16 of the Revised
Code, amounts requested by the foundation to pay the compensation
of the state employees of the foundation. Amounts credited to the
operating expenses fund shall be used by the foundation solely to
pay the compensation of the state employees of the foundation. All
investment earnings of the operating expenses fund shall be
credited to the fund.

348
349
350
351
352
353
354
355
356
357
358

Sec. 183.30. (A) Except as provided in division (D) of this
section, no more than five per cent of the total expenditures of
the tobacco use prevention and control foundation in a fiscal year
shall be for administrative expenses of the foundation.

359
360
361
362

(B) Except as provided in division (D) of this section, no
more than five per cent of the total expenditures of the southern
Ohio agricultural and community development foundation in a fiscal

363
364
365

year shall be for administrative expenses of the foundation. 366

(C) Except as provided in division (D) of this section, no 367
more than five per cent of the total expenditures of the 368
biomedical research and technology transfer commission in a fiscal 369
year shall be for administrative expenses of the commission. 370

(D) This section's five per cent limitation on administrative 371
expenses does not apply ~~in to any~~ fiscal years ~~2001 and 2002,~~ 372
~~provided the foundation or commission seeking to spend more than~~ 373
~~five per cent has submitted a spending plan to year for which~~ the 374
controlling board ~~and the controlling board has approved the~~ 375
approves a spending plan that the foundation or commission submits 376
to the board. 377

Sec. 183.34. There is hereby created in the state treasury 378
the tobacco settlement oversight, administration, and enforcement 379
fund, to which shall be credited amounts transferred under 380
division (I) of section 183.02 of the Revised Code. The attorney 381
general shall use the fund to pay costs incurred in the oversight, 382
administration, and enforcement of the tobacco master settlement 383
agreement. 384

Sec. 183.35. There is hereby created in the state treasury 385
the tobacco settlement enforcement fund, to which shall be 386
credited amounts transferred under division (J) of section 183.02 387
of the Revised Code. The tax commissioner shall use the fund to 388
pay costs incurred in the enforcement of divisions (F) and (G) of 389
section 5743.03 of the Revised Code. 390

Sec. 5743.03. (A) Except as provided in section 5743.04 of 391
the Revised Code, the taxes imposed under sections 5743.02, 392
5743.023, 5743.024, and 5743.026 of the Revised Code shall be paid 393
by the purchase of stamps. A stamp shall be affixed to each 394

package of an aggregate denomination not less than the amount of 395
the tax upon the contents thereof. The stamp, so affixed, shall be 396
prima-facie evidence of payment of the tax. Except as is provided 397
in the rules prescribed by the tax commissioner under authority of 398
sections 5743.01 to 5743.20 of the Revised Code, and unless such 399
stamps have been previously affixed, they shall be so affixed by 400
each wholesale dealer, and canceled by writing or stamping across 401
the face thereof the number assigned to such wholesale dealer by 402
the tax commissioner for that purpose, prior to the delivery of 403
any cigarettes to any person in this state, or in the case of a 404
tax levied pursuant to section 5743.024 or 5743.026 of the Revised 405
Code, prior to the delivery of cigarettes to any person in the 406
county in which the tax is levied. 407

(B) Except as provided in the rules prescribed by the 408
commissioner under authority of sections 5743.01 to 5743.20 of the 409
Revised Code, and unless such stamps have been previously affixed, 410
each retail dealer shall within twenty-four hours after the 411
receipt of any cigarettes at the retail dealer's place of business 412
and prior to the delivery thereof to any person in this state, or 413
in the case of a tax levied pursuant to section 5743.024 or 414
5743.026 of the Revised Code prior to the delivery thereof to any 415
person in the county in which the tax is levied, so affix such 416
stamps and cancel same by writing or stamping across the face 417
thereof the number assigned to such retail dealer by the 418
commissioner for that purpose. 419

(C) Whenever any cigarettes are found in the place of 420
business of any retail dealer without proper tax stamps affixed 421
thereto and canceled, it is presumed that such cigarettes are kept 422
therein in violation of sections 5743.01 to 5743.20 of the Revised 423
Code. 424

(D) Each wholesale dealer and each retail dealer who 425
purchases cigarettes without proper tax stamps affixed thereto 426

shall, on or before the thirty-first day of the month following 427
the close of each semiannual period, which period shall end on the 428
thirtieth day of June and the thirty-first day of December of each 429
year, make and file a return of the preceding semiannual period, 430
on such form as is prescribed by the tax commissioner, showing the 431
dealer's entire purchases and sales of cigarettes and stamps or 432
impressions for such semiannual period and accurate inventories as 433
of the beginning and end of each semiannual period of cigarettes, 434
stamped or unstamped; cigarette tax stamps affixed or unaffixed 435
and unused meter impressions; and such other information as the 436
commissioner finds necessary to the proper administration of 437
sections 5743.01 to 5743.20 of the Revised Code. The commissioner 438
may extend the time for making and filing returns and may remit 439
all or any part of amounts of penalties ~~which~~ that may become due 440
under sections 5743.01 to 5743.20 of the Revised Code. The 441
wholesale or retail dealer shall deliver the return together with 442
a remittance of the tax deficiency reported thereon to the 443
treasurer of state. The treasurer of state shall stamp or 444
otherwise mark on the return the date it was received and shall 445
also show thereon by stamp or otherwise a payment or nonpayment of 446
the deficiency shown by the return. Thereafter, the treasurer of 447
state shall immediately transmit all returns filed under this 448
section to the commissioner. ~~Any~~ 449

(E) Any wholesale or retail dealer who fails to file a return 450
under this section and the rules of the commissioner, other than a 451
report required pursuant to division (F) of this section, may be 452
required, for each day the dealer so fails, to forfeit and pay 453
into the state treasury the sum of one dollar as revenue arising 454
from the tax imposed by sections 5743.01 to 5743.20 of the Revised 455
Code and such sum may be collected by assessment in the manner 456
provided in section 5743.081 of the Revised Code. If the 457
commissioner finds it necessary in order to insure the payment of 458
the tax imposed by sections 5743.01 to 5743.20 of the Revised 459

Code, the commissioner may require returns and payments to be made 460
other than semiannually. The returns shall be signed by the 461
wholesale or retail dealer or an authorized agent thereof. 462

(F) Each person required to file a tax return under section 463
5743.03, 5743.52, or 5743.62 of the Revised Code shall report to 464
the commissioner the quantity of all cigarettes and roll-your-own 465
cigarette tobacco sold in Ohio for each brand not covered by the 466
tobacco master settlement agreement for which the person is liable 467
for the taxes levied under section 5743.02, 5743.51, or 5743.62 of 468
the Revised Code. 469

As used in this division, "tobacco master settlement 470
agreement" has the same meaning as in section 183.01 of the 471
Revised Code. 472

(G) The report required by division (F) of this section shall 473
be made on a form prescribed by the commissioner and shall be 474
filed not later than the last day of each month for the previous 475
month, except that if the commissioner determines that the 476
quantity reported by a person does not warrant monthly reporting, 477
the commissioner may authorize reporting at less frequent 478
intervals. The commissioner may assess a penalty of not more than 479
two hundred fifty dollars for each month or portion thereof that a 480
person fails to timely file a required report, and such sum may be 481
collected by assessment in the manner provided in section 5743.081 482
of the Revised Code. All money collected under this division shall 483
be considered as revenue arising from the taxes imposed by 484
sections 5743.01 to 5743.20 of the Revised Code. 485

Sec. 5743.99. (A) Whoever violates section 5743.10, 5743.11, 486
or 5743.12 or division (C) of section 5743.54 of the Revised Code 487
is guilty of a misdemeanor of the first degree. If the offender 488
has been previously convicted of an offense under this division, 489
violation is a felony of the fourth degree. 490

(B) Whoever violates section 5743.111, 5743.112, 5743.13, 491
5743.14, 5743.59, or 5743.60 of the Revised Code is guilty of a 492
felony of the fourth degree. If the offender has been previously 493
convicted of an offense under this division, violation is a felony 494
of the second degree. 495

(C) Whoever violates section 5743.41 or 5743.42 of the 496
Revised Code is guilty of a misdemeanor of the fourth degree. If 497
the offender has been previously convicted of an offense under 498
this division, violation is a misdemeanor of the third degree. 499

(D) Whoever violates section 5743.21 of the Revised Code is 500
guilty of a misdemeanor of the first degree. If the offender has 501
been previously convicted of an offense under this division, 502
violation is a felony of the fifth degree. 503

(E) Whoever violates division (F) of section 5743.03 of the 504
Revised Code is guilty of a misdemeanor of the fourth degree. 505

(F) Whoever violates any provision of this chapter, or any 506
rule promulgated by the tax commissioner under authority of this 507
chapter, for the violation of which no penalty is provided 508
elsewhere, is guilty of a misdemeanor of the fourth degree. 509

~~(F)~~(G) In addition to any other penalty imposed upon a person 510
convicted of a violation of section 5743.112 or 5743.60 of the 511
Revised Code who was the operator of a motor vehicle used in the 512
violation, the registrar of motor vehicles shall suspend any 513
driver's or commercial driver's license issued to the offender 514
pursuant to the order and determination of the trial judge of any 515
court of record as provided in section 4507.16 of the Revised 516
Code. 517

Section 2. That existing sections 126.02, 183.02, 183.06, 518
183.12, 183.14, 183.30, 5743.03, and 5743.99 and section 183.31 of 519
the Revised Code are hereby repealed. 520

Section 3. All items in Sections 4 to 13 of this act are 521
hereby appropriated as designated out of any moneys in the state 522
treasury to the credit of the designated fund that are not 523
otherwise appropriated. For all appropriations made in this 524
section, those in the first column are for fiscal year 2003 and 525
those in the second column are for fiscal year 2004. 526

Section 4. ADA DEPARTMENT OF ALCOHOL AND DRUG ADDICTION 527

SERVICES 528

Tobacco Master Settlement Agreement Fund Group 529

L87 038-403 Urban Minority \$ 500,000 \$ 500,000 530
Alcoholism and Drug
Abuse Outreach
Programs

L87 038-405 Juvenile Offender \$ 3,000,000 \$ 3,000,000 531
Aftercare Program

TOTAL TSF Tobacco Master Settlement \$ 3,500,000 \$ 3,500,000 532
Agreement Fund Group

TOTAL ALL BUDGET FUND GROUPS \$ 3,500,000 \$ 3,500,000 533

Section 5. AGO ATTORNEY GENERAL 535

Tobacco Master Settlement Agreement Fund Group 536

J87 055-635 Law Enforcement \$ 6,200,000 \$ 1,000,000 537
Technology, Training,
and Facility
Enhancements

U87 055-402 Tobacco Settlement \$ 529,958 \$ 551,516 538
Oversight,
Administration, and
Enforcement

TOTAL TSF Tobacco Master Settlement \$ 6,729,958 \$ 1,551,516 539
Agreement Fund Group

L87 440-421 Infant Mortality	\$	219,000	\$	266,000	562
Reduction Initiative					
TOTAL TSF Tobacco Master					563
Settlement Agreement Fund					564
Group	\$	5,851,105	\$	5,902,421	565
TOTAL ALL BUDGET FUND GROUPS	\$	5,851,105	\$	5,902,421	566

Section 7. MIH COMMISSION ON MINORITY HEALTH

Tobacco Master Settlement Agreement Fund Group					568
L87 149-402 Minority Health and	\$	1,055,000	\$	1,090,000	570
Academic Partnership					
Grants					
L87 149-403 Training and Capacity	\$	100,000	\$	100,000	571
Building					
TOTAL TSF Tobacco Master Settlement	\$	1,155,000	\$	1,190,000	572
Agreement Fund Group					
TOTAL ALL BUDGET FUND GROUPS	\$	1,155,000	\$	1,190,000	573

Section 8. DHS DEPARTMENT OF PUBLIC SAFETY

Tobacco Master Settlement Agreement Fund Group					575
L87 767-406 Under-Age Tobacco Use	\$	636,000	\$	636,000	577
Enforcement					
TOTAL TSF Tobacco Master Settlement	\$	636,000	\$	636,000	578
Agreement Fund					
TOTAL ALL BUDGET FUND GROUPS	\$	636,000	\$	636,000	579

Section 9. BOR BOARD OF REGENTS

Tobacco Master Settlement Agreement Fund Group					581
M87 235-405 Biomedical Research	\$	25,500,000	\$	25,500,000	583
and Technology					
Transfer Commission					
TOTAL TSF Tobacco Master					584
Settlement Agreement Fund					585

Group	\$	25,500,000	\$	25,500,000	586
TOTAL ALL BUDGET FUND GROUPS	\$	25,500,000	\$	25,500,000	587

Section 10. NET SCHOOLNET COMMISSION 589

Tobacco Master Settlement Agreement Fund Group 590

S87 228-602 Education Technology \$ 16,500,000 \$ 16,500,000 591

Trust Fund

TOTAL TSF Tobacco Master 592

Settlement Agreement Fund 593

Group \$ 16,500,000 \$ 16,500,000 594

TOTAL ALL BUDGET FUND GROUPS \$ 16,500,000 \$ 16,500,000 595

EDUCATION TECHNOLOGY TRUST FUND 596

The foregoing appropriation item 228-602, Education 597
Technology Trust Fund, shall be used by the SchoolNet Commission 598
for grants to school districts and other entities and for the 599
costs of administering these grants. Of the total amount for 600
grants, \$1,917,293 in fiscal year 2003 shall be used for the Ohio 601
ONEnet project, \$909,247 in fiscal year 2003 shall be used for the 602
INFOhio Network, \$298,750 in fiscal year 2003 shall be used for 603
the JASON Project, \$1,000,000 in fiscal year 2003 shall be used 604
for RISE Learning Solutions, and \$200,000 in fiscal year 2003 605
shall be used for the Stark County School Teacher Technical 606
Training Center. The remaining amount for grants shall be made to 607
school districts. 608

The JASON Project shall provide funding for statewide access 609
and a seventy-five per cent subsidy for statewide licensing of 610
JASON content for 90,000 middle school students statewide, and 611
professional development for teachers participating in the JASON 612
Project. 613

It is the intent of the General Assembly that the SchoolNet 614
Commission, in conjunction with RISE Learning Solutions, shall 615
develop a program that may be conducted in conjunction with 616

state-supported technology programs, including, but not limited to, SchoolNet Commission appropriation item 228-406, Technical and Instructional Professional Development, and appropriation item 228-539, Education Technology, and that shall be designed to educate preschool staff members and providers on developmentally appropriate teaching methods, behavior guidance, and literacy and to involve parents more closely in the education and development of their children. The program shall include an interactive instructional component, delivered using satellite television, Internet, and with facilitation, and shall be distributed to program participants using the established satellite receiver dishes on public schools, Head Start centers, and childcare centers at up to 100 locations throughout the state. The interactive instructional component of the program shall be developed to enhance the professional development, training, and performance of preschool staff members, the education and care-giving skills of the parents of preschool children, and the preparation of preschool-age children for learning.

The program shall utilize the grant to continue a direct-service component that shall include at least three teleconferences that may be distributed by Ohio-based public television utilizing satellite or microwave technology in a manner designed to promote interactive communications between the program participants located at subsites within the Ohio Educational Broadcast Network or as determined by the commission. Program participants shall communicate with trainers and participants at other program sites through telecommunications and facsimile and on-line computer technology. As much as possible, the direct-service component shall utilize systems currently available in state-supported technology programs and conduct the component in a manner that promotes innovative, interactive communications between program participants at all the sites. Parent support

groups and teacher training sessions shall supplement the 649
teleconferences and shall occur on a local basis. 650

RISE Learning Solutions may subcontract components of the 651
program. 652

Individuals eligible to participate in the program include 653
those children, their parents, custodians, or guardians, and 654
preschool staff members who are eligible to participate in a 655
preschool program as defined in division (A) of section 3301.52 656
and section 5104.02 of the Revised Code. 657

The components of the program, including two that shall be 658
developed in support of teacher proficiency in teaching reading to 659
prekindergarten and kindergarten to third grade students, at the 660
direction of the Department of Education, may include: two 661
three-hour broadcast seminars from a central up-link station, 662
distributed in up to 88 counties; high production-value video 663
sought in various locations; and direct interactive adult learning 664
activities. These two components shall include development of 665
workbooks and involve at least three small, group-facilitated 666
follow-up discussion workshops and development and distribution of 667
at least two home videos. The program shall also provide Internet 668
access, interactive lines, bulletin board, and CD-ROM. 669

Upon completion of each of the school years for which the 670
grant was made, RISE Learning Solutions shall issue a report to 671
the commission and members of the General Assembly explaining the 672
goals and objectives determined, the activities implemented, the 673
progress made toward the achievement of the goals and objectives, 674
and the outcome of the program. 675

The commission shall use the remaining appropriation 676
authority in fiscal year 2003 and appropriation authority granted 677
in fiscal year 2004 to establish and equip, through the SchoolNet 678
Plus Program, at least one interactive computer station for each 679

five children enrolled in the sixth grade as determined by a 680
three-year average adjusted per pupil property valuation pursuant 681
to division (A) of section 3317.03 of the Revised Code. Districts 682
in the first two quartiles of wealth shall receive \$380 per pupil 683
for students in grade six to purchase classroom computers for the 684
sixth grade. Districts in the third and fourth quartile shall 685
receive approximately \$188 per sixth grade pupil. If a district 686
has met the state's goal of one computer to every five students, 687
the district may use funds provided through the SchoolNet Plus 688
Program to purchase computers for grade seven or to fulfill 689
educational technology needs on other grades as specified in the 690
district's technology plan. When there is at least one computer 691
for each five children enrolled in the sixth grade, SchoolNet 692
shall use any remaining funds appropriated to establish and equip 693
at least one interactive computer workstation for each five 694
children enrolled in the seventh grade as determined by the 695
previously defined formula. 696

Section 11. SOA SOUTHERN OHIO AGRICULTURAL AND COMMUNITY 697
DEVELOPMENT FOUNDATION 698

Tobacco Master Settlement Agreement Fund Group				699	
5M9 945-601 Operating Expenses	\$	416,000	\$	435,000	700
TOTAL TSF Tobacco Master					701
Settlement Agreement Fund					702
Group	\$	416,000	\$	435,000	703
TOTAL ALL BUDGET FUND GROUPS	\$	416,000	\$	435,000	704

INVESTMENT EARNINGS ON OPERATING EXPENSES FUND 705

On July 1, 2002, or as soon thereafter as possible, the 706
Director of Budget and Management shall transfer the investment 707
earnings that would have been credited to the Southern Ohio 708
Agricultural and Community Development Operating Expenses Fund 709
(Fund 5M9) established in section 183.14 of the Revised Code for 710

fiscal years 2001 and 2002, which were credited to the General Revenue Fund, from the General Revenue Fund to the Southern Ohio Agricultural and Community Development Operating Expenses Fund (Fund 5M9). 711
712
713
714

Section 12. TAX DEPARTMENT OF TAXATION 715

Tobacco Master Settlement Agreement Fund Group 716

T87 110-402 Tobacco Settlement \$ 210,980 \$ 219,179 717
Enforcement

TOTAL TSF Tobacco Master Settlement \$ 210,980 \$ 219,179 718
Agreement Fund Group

TOTAL ALL BUDGET FUND GROUPS \$ 210,980 \$ 219,179 719

Section 13. TUP TOBACCO USE AND PREVENTION CONTROL FOUNDATION 721

Tobacco Master Settlement Agreement Fund Group 722
723

5M8 940-601 Operating Expenses \$ 833,000 \$ 1,212,000 724
TOTAL TSF Tobacco Master Settlement \$ 833,000 \$ 1,212,000 725

Agreement Fund Group
TOTAL ALL BUDGET FUND GROUPS \$ 833,000 \$ 1,212,000 726

INVESTMENT EARNINGS ON OPERATING EXPENSES FUND 727

On July 1, 2002, or as soon thereafter as possible, the Director of Budget and Management shall transfer the investment earnings that would have been credited to the Tobacco Use Prevention and Control Operating Expenses Fund (Fund 5M8) established in section 183.06 of the Revised Code for fiscal years 2001 and 2002, which were instead credited to the General Revenue Fund, from the General Revenue Fund to the Tobacco Use Prevention and Control Operating Expenses Fund (Fund 5M8). 728
729
730
731
732
733
734
735

Section 14. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit 736
737

of the Education Facilities Trust Fund (Fund N87) that are not 738
otherwise appropriated. 739

	Appropriations	
SFC SCHOOL FACILITIES COMMISSION		740
CAP-780 Classroom Facilities Assistance Program	\$ 313,400,000	741
Total School Facilities Commission	\$ 313,400,000	742
TOTAL Education Facilities Trust Fund	\$ 313,400,000	743

Section 14.01. Section 14 of this act shall remain in full 745
force and effect commencing on July 1, 2002, and terminating on 746
June 30, 2004, for the purpose of drawing money from the state 747
treasury in payment of liabilities lawfully incurred thereunder, 748
and on June 30, 2004, and not before, the moneys appropriated 749
thereby shall lapse into the funds from which they are severally 750
appropriated. 751

The appropriations made in Section 14 of this act are subject 752
to all provisions of the capital appropriations act governing the 753
2002-2004 biennium that are generally applicable to such 754
appropriations. Expenditures from appropriations contained in 755
Section 14 shall be accounted for as though made in the capital 756
appropriations act governing the 2002-2004 biennium. 757

Section 15. TRANSFER FROM TOBACCO MASTER SETTLEMENT AGREEMENT 758
FUND TO CONTROLLING BOARD EMERGENCY PURPOSES FUND 759

Notwithstanding section 183.02 of the Revised Code, on July 760
1, 2002, or as soon thereafter as possible, the Director of Budget 761
and Management shall transfer \$368,301 in cash from the net amount 762
credited to the Tobacco Master Settlement Agreement Fund (Fund 763
087) to the Controlling Board Emergency Purposes Fund (Fund 5S4). 764
The amount transferred is hereby appropriated. 765

The transfer made under this section shall be made after the 766

transfers made under divisions (F) and (G) of section 183.02 of 767
the Revised Code, but prior to the transfers made under divisions 768
(A) to (E) and (I) and (J) of section 183.02 of the Revised Code. 769
The amount transferred shall reimburse the Controlling Board 770
Emergency Purposes Fund (Fund 5S4) for the amounts transferred to 771
the Attorney General and the Department of Taxation to pay for the 772
expenses associated with the enforcement of the tobacco master 773
settlement agreement in fiscal year 2002. 774

Section 16. That Section 32 of Am. Sub. H.B. 405 of the 124th 775
General Assembly be amended to read as follows: 776

"Sec. 32. TRANSFER FROM THE TOBACCO MASTER SETTLEMENT 777
AGREEMENT FUND TO THE GENERAL REVENUE FUND 778

(A) Notwithstanding section 183.02 of the Revised Code, on or 779
before June 30, 2002, the Director of Budget and Management may 780
transfer up to \$120,000,000 from the Tobacco Master Settlement 781
Agreement Fund (Fund 087) to the General Revenue Fund. 782

Notwithstanding section 183.02 of the Revised Code, on or 783
before June 30, 2003, the Director of Budget and Management may 784
transfer up to \$120,000,000 from the Tobacco Master Settlement 785
Agreement Fund (Fund 087) to the General Revenue Fund. 786

Of the tobacco revenue that is credited to the Tobacco Master 787
Settlement Agreement Fund in fiscal year 2002 and in fiscal year 788
2003, the share that is determined pursuant to section 183.02 of 789
the Revised Code to be the amount to be transferred by the 790
Director of Budget and Management from the Tobacco Master 791
Settlement Agreement Fund to the Tobacco Use Prevention and 792
Cessation Trust Fund shall be reduced by the amount that is 793
transferred from the Tobacco Master Settlement Agreement Fund to 794
the General Revenue Fund in accordance with this division. 795

(B) Notwithstanding section 183.02 of the Revised Code, on or 796

before June 30, 2003, the Director of Budget and Management may
make one or more transfers from the Tobacco Master Settlement
Agreement Fund (Fund 087) to the General Revenue Fund that in
total do not exceed ~~\$20,000,000~~ \$36,240,000. From the tobacco
revenue that is credited to the Tobacco Master Settlement
Agreement Fund in fiscal years 2002 and 2003, the shares that are
determined pursuant to section 183.02 of the Revised Code to be
the amounts to be transferred by the Director of Budget and
Management from the Tobacco Master Settlement Agreement Fund to
the ~~various trust funds~~ Southern Ohio Agricultural and Community
Development Trust Fund (Fund K87) and the Ohio's Public Health
Priorities Trust Fund (Fund L87) shall be reduced in each fiscal
year to provide the revenue for the transfers under this division
~~in a manner to be determined in the tobacco revenue budget act for
fiscal years 2003 and 2004, but such manner shall not provide for
any reductions in the shares determined for the Education
Facilities Trust Fund (Fund N87), Education Facilities Endowment
Fund (Fund P87), Education Technology Trust Fund (Fund S87), and
Biomedical Research and Technology Transfer Trust Fund (Fund M87).~~
The Director of Budget and Management shall not make any transfers
pursuant to this division until it is determined how the shares
are to be reduced, except that the revenue by which the Ohio's
Public Priorities Trust Fund (Fund L87) is reduced under this
division shall not exceed \$3,900,000."

Section 17. That existing Section 32 of Am. Sub. H.B. 405 of
the 124th General Assembly is hereby repealed.

Section 18. PERSONAL SERVICE EXPENSES

Unless otherwise prohibited by law, each appropriation in
this act from which personal service expenses are paid shall bear
the employer's share of public employees' retirement, workers'
compensation, disabled workers' relief, and all group insurance

programs; the costs of centralized accounting, centralized payroll 828
processing, and related personnel reports and services; the cost 829
of the Office of Collective Bargaining; the cost of the Personnel 830
Board of Review; the cost of the Employee Assistance Program; the 831
cost of the Equal Opportunity Center; the costs of interagency 832
information management infrastructure; and the cost of 833
administering the state employee merit system as required by 834
section 124.07 of the Revised Code. Such costs shall be determined 835
in conformity with appropriate sections of law and paid in 836
accordance with procedures specified by the Office of Budget and 837
Management. 838

Section 19. That Section 103.03 of Am. Sub. H.B. 94 of the 839
124th General Assembly is hereby repealed. 840

Section 20. Except as otherwise specifically provided in this 841
act, the codified and uncodified sections of law contained in this 842
act, and the items of law of which the codified and uncodified 843
sections of law contained in this act are composed, are subject to 844
the referendum. Therefore, under Ohio Constitution, Article II, 845
Section 1c and section 1.471 of the Revised Code, the codified and 846
uncodified sections of law contained in this act, and the items of 847
law of which the codified and uncodified sections of law contained 848
in this act are composed, take effect on the ninety-first day 849
after this act is filed with the Secretary of State. If, however, 850
a referendum petition is filed against any such codified or 851
uncodified section of law contained in this act, or against any 852
item of law of which any such codified or uncodified section of 853
law contained in this act is composed, the codified or uncodified 854
section of law, or item of law, unless rejected at the referendum, 855
takes effect at the earliest time permitted by law. 856

857

Section 21. Sections 3 to 24 of this act are not subject to 858
the referendum. Therefore, under Ohio Constitution, Article II, 859
Section 1d and section 1.471 of the Revised Code, this section and 860
Sections 3 to 24 of this act go into immediate effect when this 861
act becomes law. 862

Section 22. Sections 183.02, 183.06, 183.14, 183.30, 183.34, 863
and 183.35 of the Revised Code as amended or enacted by this act, 864
and the items of law of which such sections as amended or enacted 865
by this act are composed, are not subject to the referendum. 866
Therefore, under Ohio Constitution, Article II, Section 1d and 867
section 1.471 of the Revised Code, such sections as amended or 868
enacted by this act, and the items of law of which such sections 869
as amended or enacted by this act are composed, go into immediate 870
effect when this act becomes law. 871

Section 23. The repeal by this act of section 183.31 of the 872
Revised Code is not subject to the referendum. Therefore, under 873
Ohio Constitution, Article II, Section 1d and section 1.71 of the 874
Revised Code, the repeal goes into immediate effect when this act 875
becomes law. 876

Section 24. The repeal of Section 103.03 of Am. Sub. H.B. 94 877
of the 124th General Assembly is not subject to the referendum. 878
Therefore, under Ohio Constitution, Article II, Section 1d and 879
section 1.471 of the Revised Code, the repeal of Section 103.03 is 880
entitled to go into immediate effect when this act becomes law. 881
However, Section 103.03 of Am. Sub. H.B. 94 of the 124th General 882
Assembly takes effect on July 1, 2002, or the day this act becomes 883
law, whichever is later. 884