

**As Reported by the Senate Finance and Financial Institutions
Committee**

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

Sub. 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

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each state fund and budget estimates for each state agency, except 20
such estimates as are required under section ~~126.22~~ 126.022 of the 21
Revised Code. The budget estimates for each state agency for which 22
direct appropriations are proposed shall include the following 23
details: 24

(A) Estimates of the operating budget; 25

(B) Estimates of the subsidy appropriations necessary, 26
delineated by a distinct subsidy program; 27

(C) Estimates for special purposes, delineated by a distinct 28
special purpose program; 29

(D) Estimates of appropriations necessary from each fund in 30
reasonable detail to allow for adequate planning and oversight of 31
programs and activities. 32

In the preparation of state revenue and expenditure 33
estimates, the director of budget and management shall, not later 34
than the fifteenth day of September in the year preceding the 35
first regular session of the general assembly, distribute to all 36
affected state agencies the forms necessary for the preparation of 37
budget requests, which shall be in the form prescribed by the 38
director in consultation with ~~the legislative budget office~~ of the 39
legislative service commission to procure information concerning 40
the revenues and expenditures for the preceding and current 41
bienniums, an estimate of the revenues and expenditures of the 42
current fiscal year, and an estimate of the revenues and proposed 43
expenditures for the respective agencies for the two succeeding 44
fiscal years for which appropriations have to be made. Each such 45
agency shall, not later than the first day of November, file with 46
the director its estimate of revenues and proposed expenditures 47
for the succeeding biennium. 48

Each such agency shall, not later than the first day of 49
December, file with the chairperson of the finance committees of 50

the senate and house of representatives and the legislative ~~budget~~ office service commission a duplicate copy of such budget request.

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

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

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

(A)(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 2006 and in 2012, the following amount or percentage shall be transferred to the tobacco use prevention and cessation trust fund, created in section 183.03 of the Revised Code:

YEAR	AMOUNT OR PERCENTAGE
2000 (first payment credited)	\$104,855,222.85
2000 (net amount credited)	70.30%
2001	62.84

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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:

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YEAR	PERCENTAGE	
2000	5.41	146
2001	6.68	147
2002	6.79	148
2003	6.90	149
2004	7.82	150
2005	8.18	151
2006	8.56	152
2007	19.83	153
2008	19.66	154
2009	20.48	155
2010	21.30	156
2011	22.12	157
2012	10.47	158

(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	
		173
		174
		175
		176
		177

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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	
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 242
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	261
2001	348,780,049.22	262
2002	418,783,038.09	263
2003	422,746,368.61	264
2004	352,827,184.57	265
2005	352,827,184.57	266
2006	352,827,184.57	267
2007	352,827,184.57	268
2008 to 2017	383,779,323.15	269
2018 to 2025	403,202,282.16	270

Sec. 183.06. The board of trustees of the tobacco use 271

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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

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means any of the counties, ranked in descending order of pounds
produced, where ninety-five per cent of the 1998 burley tobacco
quota for the state was produced.

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.

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.

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.

(B) Except as provided in division (D) of this section, no
more than five per cent of the total expenditures of the southern

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Ohio agricultural and community development foundation in a fiscal year shall be for administrative expenses of the foundation.

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

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

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

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

Sec. 5743.03. (A) Except as provided in section 5743.04 of the Revised Code, the taxes imposed under sections 5743.02, 5743.023, 5743.024, and 5743.026 of the Revised Code shall be paid

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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

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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

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the tax imposed by sections 5743.01 to 5743.20 of the Revised Code, the commissioner may require returns and payments to be made other than semiannually. The returns shall be signed by the wholesale or retail dealer or an authorized agent thereof.

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

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

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

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

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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
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Alcoholism and Drug
Abuse Outreach
Programs

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

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

TOTAL ALL BUDGET FUND GROUPS	\$	3,500,000	\$	3,500,000	533
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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
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Technology, Training,
and Facility
Enhancements

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

TOTAL TSF Tobacco Master Settlement	\$	6,729,958	\$	1,551,516	539
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	Pilot				
L87 440-421	Infant Mortality	\$	219,000	\$	266,000
	Reduction Initiative				
	TOTAL TSF Tobacco Master				563
	Settlement Agreement Fund				564
	Group	\$	5,851,105	\$	5,902,421
	TOTAL ALL BUDGET FUND GROUPS	\$	5,851,105	\$	5,902,421
	Section 7. MIH COMMISSION ON MINORITY HEALTH				568
	Tobacco Master Settlement Agreement Fund Group				569
L87 149-402	Minority Health and	\$	1,055,000	\$	1,090,000
	Academic Partnership				
	Grants				
L87 149-403	Training and Capacity	\$	100,000	\$	100,000
	Building				
	TOTAL TSF Tobacco Master Settlement	\$	1,155,000	\$	1,190,000
	Agreement Fund Group				572
	TOTAL ALL BUDGET FUND GROUPS	\$	1,155,000	\$	1,190,000
	Section 8. DHS DEPARTMENT OF PUBLIC SAFETY				575
	Tobacco Master Settlement Agreement Fund Group				576
L87 767-406	Under-Age Tobacco Use	\$	636,000	\$	636,000
	Enforcement				
	TOTAL TSF Tobacco Master Settlement	\$	636,000	\$	636,000
	Agreement Fund				578
	TOTAL ALL BUDGET FUND GROUPS	\$	636,000	\$	636,000
	Section 9. BOR BOARD OF REGENTS				581
	Tobacco Master Settlement Agreement Fund Group				582
M87 235-405	Biomedical Research	\$	25,500,000	\$	25,500,000
	and Technology				
	Transfer Commission				
	TOTAL TSF Tobacco Master				584

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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

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develop a program that may be conducted in conjunction with 616
state-supported technology programs, including, but not limited 617
to, SchoolNet Commission appropriation item 228-406, Technical and 618
Instructional Professional Development, and appropriation item 619
228-539, Education Technology, and that shall be designed to 620
educate preschool staff members and providers on developmentally 621
appropriate teaching methods, behavior guidance, and literacy and 622
to involve parents more closely in the education and development 623
of their children. The program shall include an interactive 624
instructional component, delivered using satellite television, 625
Internet, and with facilitation, and shall be distributed to 626
program participants using the established satellite receiver 627
dishes on public schools, Head Start centers, and childcare 628
centers at up to 100 locations throughout the state. The 629
interactive instructional component of the program shall be 630
developed to enhance the professional development, training, and 631
performance of preschool staff members, the education and 632
care-giving skills of the parents of preschool children, and the 633
preparation of preschool-age children for learning. 634

The program shall utilize the grant to continue a 635
direct-service component that shall include at least three 636
teleconferences that may be distributed by Ohio-based public 637
television utilizing satellite or microwave technology in a manner 638
designed to promote interactive communications between the program 639
participants located at subsites within the Ohio Educational 640
Broadcast Network or as determined by the commission. Program 641
participants shall communicate with trainers and participants at 642
other program sites through telecommunications and facsimile and 643
on-line computer technology. As much as possible, the 644
direct-service component shall utilize systems currently available 645
in state-supported technology programs and conduct the component 646
in a manner that promotes innovative, interactive communications 647

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between program participants at all the sites. Parent support 648
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

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

Section 11. SOA SOUTHERN OHIO AGRICULTURAL AND COMMUNITY
 DEVELOPMENT FOUNDATION

Tobacco Master Settlement Agreement Fund Group				699	
5M9 945-601 Operating Expenses	\$	416,000	\$	435,000	700
TOTAL TSF Tobacco Master Settlement Agreement Fund 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
 Director of Budget and Management shall transfer the investment
 earnings that would have been credited to the Southern Ohio
 Agricultural and Community Development Operating Expenses Fund

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(Fund 5M9) established in section 183.14 of the Revised Code for
 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).

Section 12. TAX DEPARTMENT OF TAXATION

Tobacco Master Settlement Agreement Fund Group
 T87 110-402 Tobacco Settlement \$ 210,980 \$ 219,179
 Enforcement
 TOTAL TSF Tobacco Master Settlement \$ 210,980 \$ 219,179
 Agreement Fund Group
 TOTAL ALL BUDGET FUND GROUPS \$ 210,980 \$ 219,179

Section 13. TUP TOBACCO USE AND PREVENTION CONTROL FOUNDATION

Tobacco Master Settlement Agreement Fund Group
 5M8 940-601 Operating Expenses \$ 833,000 \$ 1,212,000
 TOTAL TSF Tobacco Master Settlement \$ 833,000 \$ 1,212,000
 Agreement Fund Group
 TOTAL ALL BUDGET FUND GROUPS \$ 833,000 \$ 1,212,000

INVESTMENT EARNINGS ON OPERATING EXPENSES FUND

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).

Section 14. All items set forth in this section are hereby

appropriated out of any moneys in the state treasury to the credit 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

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

(C) Notwithstanding section 183.02 of the Revised Code, if the tobacco revenue that is credited to the Tobacco Master Settlement Agreement Fund (Fund 087) in fiscal year 2002 is between \$364,000,000 and \$418,783,038.09, on July 15, 2002, or as soon thereafter as possible, the Director of Budget and Management shall transfer 42.52 per cent of the amount in excess of \$364,000,000 but not in excess of \$418,783,038.09 to the Ohio's

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Public Health Priorities Trust Fund (Fund L87) and 57.48 per cent 828
of the amount in excess of \$364,000,000 but not in excess of 829
\$418,783,038.09 to the Southern Ohio Agricultural and Community 830
Development Trust Fund (Fund K87). 831

(D) Notwithstanding section 183.02 of the Revised Code, if 832
the tobacco revenue that is credited to the Tobacco Master 833
Settlement Agreement Fund (Fund 087) in fiscal year 2003 is 834
between \$372,700,000 and \$422,746,368.61, on July 15, 2003, or as 835
soon thereafter as possible, the Director of Budget and Management 836
shall transfer 43.64 per cent of the amount in excess of 837
\$372,700,000 but not in excess of \$422,746,368.61 to the Ohio's 838
Public Health Priorities Trust Fund (Fund L87) and 56.36 per cent 839
of the amount in excess of \$372,700,000 but not in excess of 840
\$422,746,368.61 to the Southern Ohio Agricultural and Community 841
Development Trust Fund (Fund K87). 842

(E) If the state receives any payments of moneys from an 843
escrow account that has been established by a tobacco company that 844
is participating in the master settlement agreement while that 845
company is disputing a portion of its calculated payment, the 846
Director of Budget and Management shall transfer the moneys 847
received according to the percentages contained in division (C) of 848
this section for fiscal year 2002 and division (D) of this section 849
for fiscal year 2003. 850

(F) The amounts transferred to the Ohio's Public Health 851
Priorities Trust Fund (Fund L87) pursuant to divisions (C), (D), 852
and (E) of this section shall not exceed a total of \$3.9 million. 853

(G) Any payment credited to the Tobacco Master Settlement 854
Agreement Fund (Fund 087) that exceeds \$418,783,038.09 in fiscal 855
year 2002 or exceeds \$422,746,368.61 in fiscal year 2003 shall be 856
transferred pursuant to division (L) of section 183.02 of the 857
Revised Code." 858

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Section 17. That existing Section 32 of Am. Sub. H.B. 405 of the 124th General Assembly is hereby repealed. 859
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Section 18. PERSONAL SERVICE EXPENSES 861

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 processing, and related personnel reports and services; the cost of the Office of Collective Bargaining; the cost of the Personnel Board of Review; the cost of the Employee Assistance Program; the cost of the Equal Opportunity Center; the costs of interagency information management infrastructure; and the cost of administering the state employee merit system as required by section 124.07 of the Revised Code. Such costs shall be determined in conformity with appropriate sections of law and paid in accordance with procedures specified by the Office of Budget and Management. 862
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Section 19. That Section 103.03 of Am. Sub. H.B. 94 of the 124th General Assembly is hereby repealed. 877
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Section 20. Except as otherwise specifically provided in this act, the codified and uncodified sections of law contained in this act, and the items of law of which the codified and uncodified sections of law contained in this act are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the codified and uncodified sections of law contained in this act, and the items of law of which the codified and uncodified sections of law contained in this act are composed, take effect on the ninety-first day 879
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after this act is filed with the Secretary of State. If, however, 888
a referendum petition is filed against any such codified or 889
uncodified section of law contained in this act, or against any 890
item of law of which any such codified or uncodified section of 891
law contained in this act is composed, the codified or uncodified 892
section of law, or item of law, unless rejected at the referendum, 893
takes effect at the earliest time permitted by law. 894

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Section 21. Sections 3 to 13 and 15 to 24 of this act are not 896
subject to the referendum. Therefore, under Ohio Constitution, 897
Article II, Section 1d and section 1.471 of the Revised Code, this 898
section and Sections 3 to 13 and 15 to 24 of this act go into 899
immediate effect when this act becomes law. 900

Section 22. Sections 183.02, 183.06, 183.14, 183.30, 183.34, 901
and 183.35 of the Revised Code as amended or enacted by this act, 902
and the items of law of which such sections as amended or enacted 903
by this act are composed, are not subject to the referendum. 904
Therefore, under Ohio Constitution, Article II, Section 1d and 905
section 1.471 of the Revised Code, such sections as amended or 906
enacted by this act, and the items of law of which such sections 907
as amended or enacted by this act are composed, go into immediate 908
effect when this act becomes law. 909

Section 23. The repeal by this act of section 183.31 of the 910
Revised Code is not subject to the referendum. Therefore, under 911
Ohio Constitution, Article II, Section 1d and section 1.71 of the 912
Revised Code, the repeal goes into immediate effect when this act 913
becomes law. 914

Section 24. The repeal of Section 103.03 of Am. Sub. H.B. 94 915
of the 124th General Assembly is not subject to the referendum. 916

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Therefore, under Ohio Constitution, Article II, Section 1d and 917
section 1.471 of the Revised Code, the repeal of Section 103.03 is 918
entitled to go into immediate effect when this act becomes law. 919
However, Section 103.03 of Am. Sub. H.B. 94 of the 124th General 920
Assembly takes effect on July 1, 2002, or the day this act becomes 921
law, whichever is later. 922