

**As Passed by the Senate**

**124th General Assembly**

**Regular Session**

**2001-2002**

**Am. Sub. S. B. No. 242**

**SENATORS Carnes (By Request), Amstutz**

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**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%	118
2000 (net amount credited)	8.73	119
2001	8.12	120
2002	9.18	121
2003	8.91	122
2004	7.84	123
2005	7.79	124
2006	7.76	125
2007	17.39	126
2008 through 2011	17.25	127

(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	
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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	
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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.

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**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.

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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.

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**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.

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(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

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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** 568

Tobacco Master Settlement Agreement Fund Group					569
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** 575

Tobacco Master Settlement Agreement Fund Group					576
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** 581

Tobacco Master Settlement Agreement Fund Group					582
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

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

**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 Southern Ohio  
Agricultural and Community Development Operating Expenses Fund  
(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). 711  
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**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 728  
Director of Budget and Management shall transfer the investment 729  
earnings that would have been credited to the Tobacco Use 730  
Prevention and Control Operating Expenses Fund (Fund 5M8) 731  
established in section 183.06 of the Revised Code for fiscal years 732  
2001 and 2002, which were instead credited to the General Revenue 733  
Fund, from the General Revenue Fund to the Tobacco Use Prevention 734  
and Control Operating Expenses Fund (Fund 5M8). 735

**Section 14.** All items set forth in this section are hereby 736  
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

(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 Health 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  
Public Health Priorities Trust Fund (Fund L87) and 57.48 per cent

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

**Section 17.** That existing Section 32 of Am. Sub. H.B. 405 of 859

the 124th General Assembly is hereby repealed. 860

**Section 18. PERSONAL SERVICE EXPENSES** 861

Unless otherwise prohibited by law, each appropriation in 862  
this act from which personal service expenses are paid shall bear 863  
the employer's share of public employees' retirement, workers' 864  
compensation, disabled workers' relief, and all group insurance 865  
programs; the costs of centralized accounting, centralized payroll 866  
processing, and related personnel reports and services; the cost 867  
of the Office of Collective Bargaining; the cost of the Personnel 868  
Board of Review; the cost of the Employee Assistance Program; the 869  
cost of the Equal Opportunity Center; the costs of interagency 870  
information management infrastructure; and the cost of 871  
administering the state employee merit system as required by 872  
section 124.07 of the Revised Code. Such costs shall be determined 873  
in conformity with appropriate sections of law and paid in 874  
accordance with procedures specified by the Office of Budget and 875  
Management. 876

**Section 19.** That Section 103.03 of Am. Sub. H.B. 94 of the 877  
124th General Assembly is hereby repealed. 878

**Section 20.** Except as otherwise specifically provided in this 879  
act, the codified and uncodified sections of law contained in this 880  
act, and the items of law of which the codified and uncodified 881  
sections of law contained in this act are composed, are subject to 882  
the referendum. Therefore, under Ohio Constitution, Article II, 883  
Section 1c and section 1.471 of the Revised Code, the codified and 884  
uncodified sections of law contained in this act, and the items of 885  
law of which the codified and uncodified sections of law contained 886  
in this act are composed, take effect on the ninety-first day 887  
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, 898  
Sections 3 to 13 and 15 to 24 of this act go into immediate effect 899  
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  
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, the repeal of Section 103.03 of Am. Sub. H.B. 94 of the 920  
124th General Assembly takes effect on July 1, 2002, or the day 921  
this act becomes law, whichever is later. 922