

# STATE OF NEW YORK

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3837--A

2017-2018 Regular Sessions

## IN SENATE

January 27, 2017

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Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law and the state finance law, in relation to allocating certain revenue to the tobacco use prevention and control program fund for programs to help smokers quit and to keep children from smoking

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Statement of legislative intent. The legislature finds  
2 that:

3 New York state has raised over twelve billion dollars in tobacco  
4 revenues over the past seven years, yet only three and one-half percent  
5 of these revenues have been spent on the state's Tobacco Use Prevention  
6 and Control Program.

7 In the year 2013, New York state spent only sixteen percent of the  
8 amount recommended by the Centers for Disease Control and Prevention on  
9 tobacco control. New York state was once a leader in tobacco control  
10 support spending, but now ranks twenty-first in the United States.

11 From the years 2007-2013, funding for the New York State Tobacco Use  
12 Prevention and Control Program was cut by more than half. This inadequate  
13 funding level for the program stands in contrast to promises made  
14 in 1998 by public officials to invest state dollars earned from the  
15 Tobacco Master Settlement Agreement in tobacco control programs.

16 The Tobacco Master Settlement Agreement states that its purpose is to  
17 "achieve for the Settling States and their citizens significant funding  
18 for the advancement of public health" and "the implementation of important  
19 tobacco-related public health measures."

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD07818-02-8

1 When more adequately funded, the State Tobacco Use Prevention and  
2 Control Program achieved successes in the effort to curb tobacco use.  
3 Teenage and adult tobacco use rates had fallen faster in New York state  
4 than in the United States as a whole.

5 Limited funding prevents the State Tobacco Use Prevention and Control  
6 Program from reaching the most vulnerable populations with the highest  
7 rates of smoking, individuals with limited income. A recent analysis by  
8 the American Cancer Society of New York and New Jersey found that lung  
9 cancer rates in upstate New York are higher than the national average.

10 Tobacco use takes a terrible toll on New York. In the year 2009, twenty-five thousand four hundred lives were prematurely lost due to tobacco  
11 use, with an estimated nine thousand six hundred ten of those deaths  
12 resulting from cancer. Tobacco costs New Yorkers over eight billion  
13 dollars in health care costs, including nearly two billion seven hundred  
14 thousand dollars in Medicaid expenditures.

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16 The legislature therefore declares that New York state should fulfill  
17 the promise made by state policy makers at the time of the State Tobacco  
18 Master Settlement Agreement to use tobacco revenues for programs to help  
19 smokers quit and to keep children from smoking. The legislature further  
20 declares that funding for the Tobacco Use Prevention and Control Program  
21 should be incrementally increased on an annual basis over the next ten  
22 years to reach the level recommended by the United States Centers for  
23 Disease Control and Prevention that would be current by the year 2029.

24 § 2. Section 482 of the tax law, as amended by section 2 of part T of  
25 chapter 61 of the laws of 2011, is amended to read as follows:

26 § 482. Deposit and disposition of revenue. (a) All taxes, fees, interest and penalties collected or received by the commissioner under this  
27 article and article twenty-A of this chapter shall be deposited and  
28 disposed of pursuant to the provisions of section one hundred seventy-one-a of this chapter, as added by chapter sixty-nine of the laws of  
29 nineteen hundred seventy-eight, as amended. (b) From the taxes, interest and penalties collected or received by the commissioner under  
30 sections four hundred seventy-one and four hundred seventy-one-a of this  
31 article, effective on and after March first, two thousand, forty-nine

32 and fifty-five hundredths, and effective on and after February first,  
33 two thousand two, forty-three and seventy hundredths; and effective on  
34 and after May first, two thousand two, sixty-four and fifty-five  
35 hundredths; and effective on and after April first, two thousand three,  
36 sixty-one and twenty-two hundredths percent; and effective on and after  
37 June third, two thousand eight, seventy and sixty-three hundredths  
38 percent; and effective on and after July first, two thousand ten, seventy-six percent collected or received under those sections must be deposited to the credit of the tobacco control and insurance initiatives pool to be established and distributed by the commissioner of health in accordance with section twenty-eight hundred seven-v of the public health law. Notwithstanding the provisions of section one hundred

39 seventy-one-a of this chapter, as added by chapter sixty-nine of the  
40 laws of nineteen hundred seventy-eight, as amended, from the taxes  
41 collected or received by the commissioner pursuant to this article,  
42 effective on and after April first, two thousand nineteen, fifty-two  
43 million dollars and, effective from April first, two thousand twenty  
44 until April first, two thousand twenty-eight at least five percent shall  
45 annually be additionally credited to and deposited in the tobacco use  
46 prevention and control program fund established pursuant to section  
47 eighty-six of the state finance law, provided however, that effective  
48 April first, two thousand twenty-nine the total amount credited to and  
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1 deposited in the tobacco use prevention and control program fund estab-  
2 lished pursuant to section eighty-six of the state finance law shall not  
3 be less than the amount recommended by the United States Centers for  
4 Disease Control and Prevention on such date.

5 § 3. The state finance law is amended by adding a new section 86 to  
6 read as follows:

7 § 86. Tobacco use prevention and control program fund. 1. There is  
8 hereby established in the joint custody of the state comptroller and the  
9 commissioner of taxation and finance a special fund to be known as the  
10 "tobacco use prevention and control program fund".

11 2. The tobacco use prevention and control program fund shall consist  
12 of moneys appropriated thereto, and funds transferred from any other  
13 fund or sources including tax revenue required to be deposited therein  
14 pursuant to section four hundred eighty-two of the tax law.

15 3. The moneys received by such fund shall be expended pursuant to  
16 appropriation only for the purposes of implementing the tobacco use  
17 prevention and control program pursuant to section thirteen hundred  
18 ninety-nine-ii of the public health law.

19 § 4. This act shall take effect April 1, 2020. Effective immediately,  
20 the addition, amendment and/or repeal of any rule or regulation neces-  
21 sary for the implementation of this act on its effective date are  
22 authorized to be made and completed on or before such effective date.