

SECOND REGULAR SESSION

# SENATE BILL NO. 1219

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR SINGLETON.

Read 1st time February 26, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4619S.04I

## AN ACT

To amend chapter 196, RSMo, by adding thereto six new sections relating to the establishment of the Missouri healthy families trust fund, with an effective date for a certain section and a referendum clause.

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

Section A. Chapter 196, RSMo, is amended by adding thereto six new sections, to be known as sections 135.1000, 196.1140, 196.1145, 196.1148, 196.1151 and 196.1154, to read as follows:

**135.1000. 1. Any qualified small business which provides health insurance coverage to its employees and who contributes at least twenty percent of the cost of the health insurance coverage for its employees shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount up to one hundred dollars per full-time employee, subject to the apportionment of the available tax credits pursuant to subsection 4 of the section. However, in no event shall the amount of tax credits exceed the actual costs incurred by the qualified small business in providing health insurance coverage. For the purposes of this section "qualified small business" means an independently owned and operated business which is headquartered and located in Missouri and which employs no more than fifty people.**

**2. Such credit shall not be considered an overpayment of tax and shall not be refundable, saleable or transferrable even if the amount of the credit exceeds the qualified small business' liability.**

**3. The total number of tax credits available in any fiscal year shall be equal to thirty-five percent of the moneys received each fiscal year in the Missouri tobacco**

settlement for healthy Missourians trust fund pursuant to section 196.1140, RSMo.

4. The director of the department of insurance shall establish an application procedure by which, at some point during the tax year to be determined by the director of the department of insurance, qualified small businesses eligible to claim tax credits pursuant to this section shall file an application with the department of insurance. If more qualified small businesses apply for tax credits than the number of tax credits available, the director of the department of insurance shall establish a procedure to apportion the available tax credits among all applicants. To the maximum extent possible, the director of the department of insurance shall establish the procedure described in this subsection in such a manner as to ensure that qualified small businesses can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year. However, in no event shall the number of tax credits issued exceed the amount specified in subsection 4 of this section.

5. This section shall become effective July 1, 2003, and shall apply to all tax years after December 31, 2003.

196.1140. 1. As used in sections 196.1140 to 196.1154, the following terms mean:

(1) "Account", an account within the Missouri tobacco settlement for healthy Missourians trust fund created in subsection 2 of this section;

(2) "MSA", the master settlement agreement entered into on November 23, 1998, as amended, in the tobacco case;

(3) "Tobacco case", the case of *State of Missouri ex rel. Jeremiah W. (Jay) Nixon, Attorney General v. The American Tobacco Company, Inc., et al.*, case number 972-1465, filed in the circuit court of the City of St. Louis, state of Missouri;

(4) "Tobacco claim", any claim of the state of Missouri for conduct, acts or omissions arising out of or in any way related, in whole or in part, to the use, sale, distribution, manufacture, development, advertising, marketing or health affects of tobacco products; the exposure to tobacco products; or research, statements or warnings regarding the potential adverse affects of tobacco use, including those asserted in the tobacco case and any claims of the same or similar nature against any person or entity, including but not limited to the defendants in the tobacco case, provided that a claim of the state of Missouri for taxes or licensure fees shall not be considered a tobacco claim;

(5) "Tobacco claim payment", any moneys or proceeds of any moneys, including interest thereon, paid into the state treasury as a result of a tobacco claim, including but not limited to a payment to the state of Missouri pursuant to the MSA or any other tobacco claim settlement, award or judgment. Tobacco claim payment shall

**include any moneys paid into the state treasury that results in a direct offset or reduction of moneys received into the state treasury pursuant to the MSA or any other tobacco claim settlement, award or judgment.**

**2. All tobacco claim payments shall be deposited into the Missouri tobacco settlement for healthy Missourians trust fund which is hereby created in the state treasury. Moneys in such fund shall not be subject to appropriation for purposes other than those provided in this section without a two-thirds vote of the members elected to each house of the general assembly. The state treasurer shall invest moneys in the fund for Missouri's future in the same manner as surplus funds are invested pursuant to section 30.260, RSMo. All earnings resulting from the investment of the moneys in the fund for Missouri's future shall be credited to such fund. All remaining moneys in the Missouri tobacco settlement for healthy Missourians trust fund shall be used for the following purposes only:**

**(1) Two percent of the moneys shall be used for the health access incentive fund, for health care loan repayment, incentive bonuses, and recruitment of health care professionals working in underserved areas;**

**(2) Two percent of the moneys shall be used for allocation between federally qualified health centers based on the number of patient visits to the federally qualified health center as determined by the department of health;**

**(3) Fourteen percent of the moneys shall be used for life sciences research and grants provided that at least one-third of the number of grants made shall have a value of no more than one million dollars for each grant;**

**(4) Thirteen percent of the moneys shall be used for prevention of tobacco-related diseases, including but not limited to preventing the initiation of tobacco use among young people; promoting quitting among young people and adults; eliminating nonsmokers' exposure to environmental tobacco smoke; and identifying and eliminating the disparities related to tobacco uses and its effects among different population groups;**

**(5) One-half of one percent of the moneys shall be used to encourage the establishment of or conversion of hospitals to critical access hospitals;**

**(6) Three percent of the moneys shall be used for rural health clinic networks and rural health outreach grants to nonhospital sponsored rural health clinics;**

**(7) Seven percent of the moneys shall be used for health research and development regarding tobacco-related diseases and their prevention at the University of Missouri-Columbia;**

**(8) Thirty-five percent of the moneys to general revenue to offset the costs of health insurance tax credits created pursuant to section 135.1000, RSMo;**

**(9) One-half of one percent of the moneys shall be used to educate and encourage citizens regarding the use of medical savings accounts;**

**(10) Seventeen and one-half percent of the moneys shall be used to increase the medicaid reimbursement rate for a particular service to a level equal to the medicare reimbursement rate for such service, except that during the first year fourteen percent of the moneys in the Missouri tobacco settlement for healthy Missourians trust fund shall be used for the state health lab; and**

**(11) Five and one-half percent of the moneys shall be used for healthcare facilities and providers treating uninsured or underinsured individuals.**

**196.1145. The percentages established in section 196.1140 may be modified by concurrent resolution approved by two-thirds of the members of the general assembly. Such modification may be extended for no more than two fiscal years in any one resolution.**

**196.1148. The commissioner of administration shall establish such books of account as are necessary to account for the proceeds of any tobacco claim payments made to this state and interest thereon and shall make or refuse to make such certifications as are necessary to ensure that these funds are allocated, used and expended only for the purposes and in the proportions set forth in sections 196.1140 to 196.1154.**

**196.1151. Moneys which are appropriated from the Missouri tobacco settlement for healthy Missourians trust fund for the purposes provided in sections 196.1140 to 196.1154 shall constitute additional amounts over and above any moneys that are appropriated for such purposes from general revenue as of July 1, 2003. The state shall not reduce the level of funding that was in effect on July 1, 2003, for such a purpose from general revenue sources because of the appropriation of moneys for such purpose from the health care trust fund. This section shall not apply to amounts appropriated or expended for the purposes of administering section 135.095, RSMo.**

**196.1154. Any moneys received by the state as a result of the tobacco settlement agreement together with interest and earnings thereon shall not be classified as "total state revenues" as defined in sections 17 and 18 of article X of the Missouri Constitution and the expenditure of such moneys shall not be an "expense of state government" pursuant to section 20 of article X of the Missouri Constitution.**

Section B. This act is hereby submitted to the qualified voters of this state for approval or rejection at an election which is hereby ordered and which shall be held and conducted on Tuesday next following the first Monday in November, 2002, pursuant to the laws and constitutional provisions of this state for the submission of referendum measures by the general assembly, and this act shall become effective July 1, 2003, after approval by a majority of the

votes cast thereon at such election and not otherwise.

Section C. The official summary statement for the proposed referendum measure of this act shall read as follows:

"Authorizes deposit of tobacco settlement moneys into funds for use in smoking prevention, health care and prescription drug coverage for seniors, life sciences and medical research, early childhood and youth development care and education, and an endowment fund which would not be subject to the constitutional limit on state spending. Defeat of the referendum measure would not create the funds and the moneys shall be credited to general revenue for appropriation by the general assembly.

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