

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE CIGARETTE TAX; DISTRIBUTING ADDITIONAL REVENUES FOR SUPPORT OF CERTAIN PROGRAMS AND PURPOSES; AMENDING SECTIONS OF THE NMSA 1978; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. CHILD HEALTH FUND CREATED--PURPOSE-- ADMINISTRATION.--The "child health fund" is created in the state treasury and shall be administered by the human services department. The fund consists of cigarette tax revenue distributed to the fund pursuant to Section 7-1-6.11 NMSA 1978. Money in the fund shall be appropriated by the legislature to the department to provide child health services pursuant to the Child Health Act, if enacted into law by the forty-third legislature. Money in the fund shall not revert at the end of any fiscal year.

Section 2. Section 7-1-6.11 NMSA 1978 (being Laws 1983, Chapter 211, Section 16, as amended) is amended to read:

"7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES.--

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the county and municipality recreational fund in an amount equal to three and thirteen hundredths percent of the net receipts, exclusive of

penalties and interest, attributable to the cigarette tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the county and municipal cigarette tax fund in an amount equal to six and one-fourth percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

C. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the cancer center at the university of New Mexico school of medicine in an amount equal to eleven and twenty-one hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

D. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the New Mexico finance authority in an amount equal to four and sixty-nine hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax. Beginning in the month following the month that the New Mexico finance authority certifies that all obligations for the bonds issued pursuant to Laws 1993, Chapter 358, Section 4 have been fully discharged, the distribution in this section to the New Mexico finance authority shall cease and the distribution shall be made in the same amount to the university of New Mexico school of medicine medical trust fund.

E. A distribution pursuant to Section 7-1-6.1

NMSA 1978 shall be made to the university of New Mexico school of medicine medical trust fund in an amount equal to four and five hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

F. Contigent upon passage of the Child Health Act by the forty-third legislature, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the child health fund in an amount equal to twenty-two and one-tenth percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax. "

Section 3. Section 7-12-3 NMSA 1978 (being Laws 1971, Chapter 77, Section 3, as amended) is amended to read:

"7-12-3. EXCISE TAX ON CIGARETTES--RATES. --

A. For the privilege of selling, giving or consuming cigarettes in New Mexico, there is levied an excise tax at the rate of one and sixty-five hundredths cents (\$.0165) for each cigarette sold, given or consumed in this state.

B. The tax imposed by this section shall be referred to as the "cigarette tax". "

Section 4. Section 24-20-1 NMSA 1978 (being Laws 1993, Chapter 358, Section 3) is amended to read:

"24-20-1. MEDICAL TRUST FUND FOR CANCER AND OTHER MEDICAL RESEARCH-- APPROPRIATION. --

A. There is created at the university of New Mexico school of medicine a "medical trust fund" to be administered by the school of medicine. The fund shall consist of balances transferred to the fund from the dedicated health research fund and any other distributions, transfers and deposits that may be made to the fund. Earnings from investment of the medical trust fund are appropriated to the university of New Mexico school of medicine for cancer and other medical research, including research focusing on pulmonary, respiratory or other diseases that are or may be affected by the use of cigarettes.

B. The university of New Mexico school of medicine shall report annually to the commission on higher education, the department of health and the legislative finance committee regarding the use of the earnings on the medical trust fund. "

Section 5. EFFECTIVE DATES. --

A. The effective date of the provisions of Section 2 of this act is August 1, 1998.

B. The effective date of the provisions of Sections 1 and 3 of this act is July 1, 1998. _____