

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

# A Bill

HOUSE BILL 1756

5 By: Representatives Judy, L. Prater  
6  
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## For An Act To Be Entitled

9 AN ACT TO ADD AN ADDITIONAL FIVE CENTS (5¢) PER  
10 PACK TAX TO CIGARETTES TO FUND THE DEPARTMENT OF  
11 VETERANS' AFFAIRS, THE DIVISION OF AGING AND  
12 ADULT SERVICES OF THE DEPARTMENT OF HUMAN  
13 SERVICES, AND THE DEPARTMENT OF HUMAN SERVICES  
14 DIVISION OF DEVELOPMENTAL DISABILITIES SERVICES;  
15 AND FOR OTHER PURPOSES.  
16

## Subtitle

17 TO ADD AN ADDITIONAL FIVE CENTS (5¢) PER  
18 PACK TAX TO CIGARETTES.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code Title 26, Chapter 57, Subchapter 8, is  
25 amended to add an additional section to read as follows:

26 26-57-804. Additional tax - Department of Veterans' Affairs - Aging  
27 and Adult Services - Developmental Disability Services.

28 (a) In addition to the excise or privilege taxes levied under §§ 26-  
29 57-208, 26-57-802, and 26-57-803, there is levied a tax of two dollars and  
30 fifty cents (\$2.50) per one thousand (1,000) cigarettes sold in the state.

31 (b)(1) There is no exemption under this section for cigarettes sold in  
32 Arkansas within three hundred feet (300') of a state line or in any city  
33 which adjoins a state line.

34 (2) The exemptions and waivers allowed under §§ 26-57-209 and  
35 26-57-210 shall apply to this section.

36 (c) The taxes levied by this section shall not apply to the sale of



1 cigarettes and tobacco products that are in a wholesaler's warehouse  
 2 inventory on the effective date of this section.

3 (d) The additional tax levied under this section shall be imposed,  
 4 reported, remitted, and administered in the same manner and at the same time  
 5 as other taxes levied on cigarettes in the Arkansas Tobacco Products Tax Act  
 6 of 1977, § 26-57-201 et seq.

7 (e) The moneys collected under this section shall be deposited in the  
 8 State Treasury as special revenues to the credit of the following:

9 (1) The first five million dollars (\$5,000,000) of the net  
 10 revenues derived from the additional tax levied under this section in each  
 11 fiscal year shall be deposited in the State Treasury to the credit of the  
 12 Department of Veterans' Affairs Fund;

13 (2) Then, the next two million five hundred thousand dollars  
 14 (\$2,500,000) of the net revenues derived from the additional tax levied under  
 15 this section in each fiscal year shall be deposited into the Department of  
 16 Human Services Grants Fund Account, there to be used exclusively for Medicaid  
 17 match for Personal Care and ElderChoices services for homemaker, respite, and  
 18 chore services;

19 (3) Then, the next one million five hundred thousand dollars  
 20 (\$1,500,000) of the net revenues derived from the additional tax levied under  
 21 this section in each fiscal year shall be deposited in the State Treasury to  
 22 the credit of the Aging and Adult Services Fund Account, to be used  
 23 exclusively for the senior nutrition program which includes meals delivered  
 24 to the home, congregate meals, and upgrading the equipment in the kitchens  
 25 and food preparation areas of senior centers that provide nutrition services  
 26 to the elderly through the Area Agency on Aging;

27 (4) Then, the next two million five hundred thousand dollars  
 28 (\$2,500,000) of the net revenues derived from the additional tax levied under  
 29 this section in each fiscal year shall be deposited into the Department of  
 30 Human Services Grants Fund Account, there to be used exclusively as Medicaid  
 31 match for the expansion of community-based programs licensed by the  
 32 Developmental Disabilities Services Division of the Department of Human  
 33 Services; and

34 (5) Any remaining net revenues derived from the additional tax  
 35 levied under this section in each fiscal year shall be deposited in the State  
 36 Treasury to the credit of the General Revenue Fund Account of the State

1 Apportionment Fund.

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 3 SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 4 is amended  
 4 to add an additional section to read as follows:

5 19-6-486. Department of Veterans' Affairs Fund.

6 (a) There is created on the books of the Treasurer of State, Auditor  
 7 of State, and Chief Fiscal Officer of the State a special revenue fund to be  
 8 known as the Department of Veterans' Affairs Fund.

9 (b) That portion of the moneys collected under § 26-57-804, in the  
 10 amount designated in § 26-57-804(e)(1), shall be deposited into the State  
 11 Treasury to the credit of the fund as special revenue.

12 (c) The fund is to be used exclusively by the Department of Veterans'  
 13 Affairs for the following:

14 (1) To increase the number of available nursing home beds for  
 15 Arkansas veterans; and

16 (2) To fund its programs, operations, and activities as provided  
 17 under § 20-81-102.

18  
 19 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 20 General Assembly of the State of Arkansas that the state is experiencing  
 21 budgetary hardships due to a decline in the economic conditions in the state;  
 22 that additional revenue is needed for operation costs for nursing home beds  
 23 for Arkansas veterans, to provide essential services to the elderly, and to  
 24 provide essential services to individuals with developmental disabilities in  
 25 the state; that if additional money is not raised for funding these programs,  
 26 nursing homes for Arkansas veterans may not be able to operate, federal  
 27 Medicaid matching money may be lost, and the state will not be able to fund  
 28 compliance with the Olmstead v. L.C., 527 U.S. 581 (1999) requirements to  
 29 maintain institutions for individuals with developmental disabilities and  
 30 expand the availability of less restrictive alternative programs for  
 31 individuals with developmental disabilities; and that this act is immediately  
 32 necessary to ensure that nursing homes for Arkansas veterans are operational,  
 33 that essential services for the elderly are provided, and essential services  
 34 for individuals with developmental disabilities are provided. Therefore, an  
 35 emergency is declared to exist and this act being necessary for the  
 36 preservation of the public peace, health, and safety shall become effective

1 on July 1, 2003.  
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