

## CHAPTER 242

**AN ACT** concerning the disposition of certain cigarette and other tobacco products tax revenues and amending P.L.1997, c.264.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. Section 4 of P.L.1997, c.264 (C.26:2H-18.58g) is amended to read as follows:

C.26:2H-18.58g Disposition of revenues collected from certain cigarette, other tobacco products tax revenues.

4. Notwithstanding the provisions of any other law to the contrary,

- a. commencing July 1, 1998 and ending June 30, 2006: after the deposit required pursuant to section 5 of P.L.1982, c.40 (C.54:40A-37.1), the first \$150,000,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) and the first \$5,000,000 of revenue collected annually from the "Tobacco Products Wholesale Sales and Use Tax Act," P.L.1990, c.39 (C.54:40B-1 et seq.), shall be deposited into the Health Care Subsidy Fund established pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58); and the next \$390,000,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) shall be appropriated annually for health programs, and the next \$50,000,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) shall be appropriated annually to the New Jersey Economic Development Authority for payment of debt service incurred by the authority for school facilities projects and in fiscal years commencing July 1, 2002 and July 1, 2003, the next \$30,000,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) shall be directed to the Department of Health to fund anti-smoking initiatives, except that the amount shall be \$40,000,000 in the fiscal year commencing July 1, 2004 and \$45,000,000 in the fiscal year commencing July 1, 2005; and

- b. commencing with fiscal years beginning on and after July 1, 2006, after the deposit required pursuant to section 5 of P.L.1982, c.40 (C.54:40A-37.1), the first \$150,000,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) and the first \$5,000,000 of revenue collected annually from the "Tobacco Products Wholesale Sales and Use Tax Act," P.L.1990, c.39 (C.54:40B-1 et seq.), shall be deposited into the Health Care Subsidy Fund established pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58). In addition, commencing with fiscal years beginning on and after July 1, 2006 but before July 1, 2009, there shall be deposited \$215,000,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) in accordance with the provisions of section 5 of P.L.2004, c.68 (C.34:1B-21.20), and, commencing with fiscal years beginning on and after July 1, 2009, there shall be deposited \$241,500,000 of revenue collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) in accordance with the provisions of section 5 of P.L.2004, c.68 (C.34:1B-21.20). In addition, commencing with fiscal years beginning on and after July 1, 2018, an amount equal to one percent of the total revenues collected annually from the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.) and the "Tobacco Products Wholesale Sales and Use Tax Act," P.L.1990, c.39 (C.54:40B-1 et seq.) shall be directed to the Department of Health to fund and implement evidence-based tobacco control programs that align with the federal Centers for Disease Control and Prevention Best Practices for Comprehensive Tobacco Control Programs and that include the goals of preventing youth initiation of tobacco usage, reducing exposure to secondhand smoke, and promotion of cessation. Funding priority shall

be given to programs that aim to reduce the incidence of smoking among the State's Medicaid population and youth.

2. This act shall take effect on July 1, 2018.

Approved December 15, 2017.