

# AN ACT

To amend sections 102.02, 107.03, 107.031, and 126.02 and to enact sections 126.022, 183.01, 183.02, 183.021, 183.03 to 183.33, and 5145.32 of the Revised Code to provide for the distribution of money received by the state pursuant to the Tobacco Master Settlement Agreement, to impose prohibitions concerning smoking and tobacco use in certain state correctional institutions, and to make capital and operating appropriations for programs funded with Master Settlement Agreement revenue for the biennium ending June 30, 2002.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 102.02, 107.03, 107.031, and 126.02 be amended and sections 126.022, 183.01, 183.02, 183.021, 183.03, 183.04, 183.05, 183.06, 183.07, 183.08, 183.09, 183.10, 183.11, 183.12, 183.13, 183.14, 183.15, 183.16, 183.17, 183.18, 183.19, 183.20, 183.21, 183.22, 183.23, 183.24, 183.25, 183.26, 183.27, 183.28, 183.29, 183.30, 183.31, 183.32, 183.33, and 5145.32 of the Revised Code be enacted to read as follows:

Sec. 102.02. (A) Except as otherwise provided in division (H) of this section, every person who is elected to or is a candidate for a state, county, or city office, or the office of member of the United States congress, and every person who is appointed to fill a vacancy for an unexpired term in such an elective office; all members of the state board of education; the director, assistant directors, deputy directors, division chiefs, or persons of equivalent rank of any administrative department of the state; the president or other chief administrative officer of every state institution of higher education as defined in section 3345.011 of the Revised Code; the chief executive officer of each state retirement system; all members of the board of commissioners on grievances and discipline of the supreme court and the ethics commission created under section 102.05 of the Revised Code; every

business manager, treasurer, or superintendent of a city, local, exempted village, joint vocational, or cooperative education school district or an educational service center; every person who is elected to or is a candidate for the office of member of a board of education of a city, local, exempted village, joint vocational, or cooperative education school district or of a governing board of an educational service center that has a total student count of twelve thousand or more as most recently determined by the department of education pursuant to section 3317.03 of the Revised Code; every person who is appointed to the board of education of a municipal school district pursuant to division (B) or (F) of section 3311.71 of the Revised Code; all members of the board of directors of a sanitary district established under Chapter 6115. of the Revised Code and organized wholly for the purpose of providing a water supply for domestic, municipal, and public use that includes two municipal corporations in two counties; every public official or employee who is paid a salary or wage in accordance with schedule C of section 124.15 or schedule E-2 of section 124.152 of the Revised Code; members of the board of trustees and the executive director of the tobacco use prevention and control foundation; members of the board of trustees and the executive director of the southern Ohio agricultural and community development foundation; members and the executive director of the biomedical research and technology transfer commission; and every other public official or employee who is designated by the appropriate ethics commission pursuant to division (B) of this section shall file with the appropriate ethics commission on a form prescribed by the commission, a statement disclosing all of the following:

(1) The name of the person filing the statement and each member of the person's immediate family and all names under which the person or members of the person's immediate family do business;

(2)(a) Subject to divisions (A)(2)(b) and (c) of this section and except as otherwise provided in section 102.022 of the Revised Code, identification of every source of income, other than income from a legislative agent identified in division (A)(2)(b) of this section, received during the preceding calendar year, in the person's own name or by any other person for the person's use or benefit, by the person filing the statement, and a brief description of the nature of the services for which the income was received. If the person filing the statement is a member of the general assembly, the statement shall identify the amount of every source of income received in accordance with the following ranges of amounts: zero or more, but less than one thousand dollars; one thousand dollars or more, but less than ten thousand dollars; ten thousand dollars or more, but less than twenty-five

thousand dollars; twenty-five thousand dollars or more, but less than fifty thousand dollars; fifty thousand dollars or more, but less than one hundred thousand dollars; and one hundred thousand dollars or more. Division (A)(2)(a) of this section shall not be construed to require a person filing the statement who derives income from a business or profession to disclose the individual items of income that constitute the gross income of that business or profession, except for those individual items of income that are attributable to the person's or, if the income is shared with the person, the partner's, solicitation of services or goods or performance, arrangement, or facilitation of services or provision of goods on behalf of the business or profession of clients, including corporate clients, who are legislative agents as defined in section 101.70 of the Revised Code. A person who files the statement under this section shall disclose the identity of and the amount of income received from a person who the public official or employee knows or has reason to know is doing or seeking to do business of any kind with the public official's or employee's agency.

(b) If the person filing the statement is a member of the general assembly, the statement shall identify every source of income and the amount of that income that was received from a legislative agent, as defined in section 101.70 of the Revised Code, during the preceding calendar year, in the person's own name or by any other person for the person's use or benefit, by the person filing the statement, and a brief description of the nature of the services for which the income was received. Division (A)(2)(b) of this section requires the disclosure of clients of attorneys or persons licensed under section 4732.12 of the Revised Code, or patients of persons certified under section 4731.14 of the Revised Code, if those clients or patients are legislative agents. Division (A)(2)(b) of this section requires a person filing the statement who derives income from a business or profession to disclose those individual items of income that constitute the gross income of that business or profession that are received from legislative agents.

(c) Except as otherwise provided in division (A)(2)(c) of this section, division (A)(2)(a) of this section applies to attorneys, physicians, and other persons who engage in the practice of a profession and who, pursuant to a section of the Revised Code, the common law of this state, a code of ethics applicable to the profession, or otherwise, generally are required not to reveal, disclose, or use confidences of clients, patients, or other recipients of professional services except under specified circumstances or generally are required to maintain those types of confidences as privileged communications except under specified circumstances. Division (A)(2)(a) of

this section does not require an attorney, physician, or other professional subject to a confidentiality requirement as described in division (A)(2)(c) of this section to disclose the name, other identity, or address of a client, patient, or other recipient of professional services if the disclosure would threaten the client, patient, or other recipient of professional services, would reveal details of the subject matter for which legal, medical, or professional advice or other services were sought, or would reveal an otherwise privileged communication involving the client, patient, or other recipient of professional services. Division (A)(2)(a) of this section does not require an attorney, physician, or other professional subject to a confidentiality requirement as described in division (A)(2)(c) of this section to disclose in the brief description of the nature of services required by division (A)(2)(a) of this section any information pertaining to specific professional services rendered for a client, patient, or other recipient of professional services that would reveal details of the subject matter for which legal, medical, or professional advice was sought or would reveal an otherwise privileged communication involving the client, patient, or other recipient of professional services.

(3) The name of every corporation on file with the secretary of state that is incorporated in this state or holds a certificate of compliance authorizing it to do business in this state, trust, business trust, partnership, or association that transacts business in this state in which the person filing the statement or any other person for the person's use and benefit had during the preceding calendar year an investment of over one thousand dollars at fair market value as of the thirty-first day of December of the preceding calendar year, or the date of disposition, whichever is earlier, or in which the person holds any office or has a fiduciary relationship, and a description of the nature of the investment, office, or relationship. Division (A)(3) of this section does not require disclosure of the name of any bank, savings and loan association, credit union, or building and loan association with which the person filing the statement has a deposit or a withdrawable share account.

(4) All fee simple and leasehold interests to which the person filing the statement holds legal title to or a beneficial interest in real property located within the state, excluding the person's residence and property used primarily for personal recreation;

(5) The names of all persons residing or transacting business in the state to whom the person filing the statement owes, in the person's own name or in the name of any other person, more than one thousand dollars. Division (A)(5) of this section shall not be construed to require the disclosure of debts owed by the person resulting from the ordinary conduct of a business or

ession or debts on the person's residence or real property used primarily for personal recreation, except that the superintendent of financial institutions shall disclose the names of all state-chartered savings and loan associations and of all service corporations subject to regulation under division (E)(2) of section 1151.34 of the Revised Code to whom the superintendent in the superintendent's own name or in the name of any other person owes any money, and that the superintendent and any deputy superintendent of banks shall disclose the names of all state-chartered banks and all bank subsidiary corporations subject to regulation under section 1109.44 of the Revised Code to whom the superintendent or deputy superintendent owes any money.

(6) The names of all persons residing or transacting business in the state, other than a depository excluded under division (A)(3) of this section, who owe more than one thousand dollars to the person filing the statement, either in the person's own name or to any person for the person's use or benefit. Division (A)(6) of this section shall not be construed to require the disclosure of clients of attorneys or persons licensed under section 4732.12 or 4732.15 of the Revised Code, or patients of persons certified under section 4731.14 of the Revised Code, nor the disclosure of debts owed to the person resulting from the ordinary conduct of a business or profession.

(7) Except as otherwise provided in section 102.022 of the Revised Code, the source of each gift of over seventy-five dollars, or of each gift of over twenty-five dollars received by a member of the general assembly from a legislative agent, received by the person in the person's own name or by any other person for the person's use or benefit during the preceding calendar year, except gifts received by will or by virtue of section 2105.06 of the Revised Code, or received from spouses, parents, grandparents, children, grandchildren, siblings, nephews, nieces, uncles, aunts, brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, fathers-in-law, mothers-in-law, or any person to whom the person filing the statement stands in loco parentis, or received by way of distribution from any inter vivos or testamentary trust established by a spouse or by an ancestor;

(8) Except as otherwise provided in section 102.022 of the Revised Code, identification of the source and amount of every payment of expenses incurred for travel to destinations inside or outside this state that is received by the person in the person's own name or by any other person for the person's use or benefit and that is incurred in connection with the person's official duties except for expenses for travel to meetings or conventions of a national or state organization to which either house of the general assembly,

any legislative agency, a state institution of higher education as defined in section 3345.031 of the Revised Code, any other state agency, or any political subdivision or any office or agency of a political subdivision pays membership dues;

(9) Except as otherwise provided in section 102.022 of the Revised Code, identification of the source of payment of expenses for meals and other food and beverages, other than for meals and other food and beverages provided at a meeting at which the person participated in a panel, seminar, or speaking engagement or at a meeting or convention of a national or state organization to which either house of the general assembly, any legislative agency, a state institution of higher education as defined in section 3345.031 of the Revised Code, any other state agency, or any political subdivision or any office or agency of a political subdivision pays membership dues, that are incurred in connection with the person's official duties and that exceed one hundred dollars aggregated per calendar year;

(10) If the financial disclosure statement is filed by a public official or employee described in division (B)(2) of section 101.73 of the Revised Code or division (B)(2) of section 121.63 of the Revised Code who receives a statement from a legislative agent, executive agency lobbyist, or employer that contains the information described in division (F)(2) of section 101.73 of the Revised Code or division (G)(2) of section 121.63 of the Revised Code, all of the nondisputed information contained in the statement delivered to that public official or employee by the legislative agent, executive agency lobbyist, or employer under division (F)(2) of section 101.73 or (G)(2) of section 121.63 of the Revised Code. As used in division (A)(10) of this section, legislative agent, executive agency lobbyist, and employer have the same meanings as in sections 101.70 and 121.60 of the Revised Code.

A person may file a statement required by this section in person or by mail. A person who is a candidate for elective office shall file the statement no later than the thirtieth day before the primary, special, or general election at which the candidacy is to be voted on, whichever election occurs soonest, except that a person who is a write-in candidate shall file the statement no later than the twentieth day before the earliest election at which the person's candidacy is to be voted on. A person who holds elective office shall file the statement on or before the fifteenth day of April of each year unless the person is a candidate for office. A person who is appointed to fill a vacancy for an unexpired term in an elective office shall file the statement within fifteen days after the person qualifies for office. Other persons shall file an annual statement on or before the fifteenth day of April or, if appointed or

employed after that date, within ninety days after appointment or employment. No person shall be required to file with the appropriate ethics commission more than one statement or pay more than one filing fee for any one calendar year.

The appropriate ethics commission, for good cause, may extend for a reasonable time the deadline for filing a disclosure statement under this section.

A statement filed under this section is subject to public inspection at locations designated by the appropriate ethics commission except as otherwise provided in this section.

(B) The Ohio ethics commission, the joint legislative ethics committee, and the board of commissioners on grievances and discipline of the supreme court, using the rule-making procedures of Chapter 119. of the Revised Code, may require any class of public officials or employees under its jurisdiction and not specifically excluded by this section whose positions involve a substantial and material exercise of administrative discretion in the formulation of public policy, expenditure of public funds, enforcement of laws and rules of the state or a county or city, or the execution of other public trusts, to file an annual statement on or before the fifteenth day of April under division (A) of this section. The appropriate ethics commission shall send the public officials or employees written notice of the requirement by the fifteenth day of February of each year the filing is required unless the public official or employee is appointed after that date, in which case the notice shall be sent within thirty days after appointment, and the filing shall be made not later than ninety days after appointment.

~~Disclosure~~ Except for disclosure statements filed by members of the board of trustees and the executive director of the tobacco use prevention and control foundation, members of the board of trustees and the executive director of the southern Ohio agricultural and community development foundation, and members and the executive director of the biomedical research and technology transfer commission, disclosure statements filed under this division with the Ohio ethics commission by members of boards, commissions, or bureaus of the state for which no compensation is received other than reasonable and necessary expenses shall be kept confidential. Disclosure statements filed with the Ohio ethics commission under division (A) of this section by business managers, treasurers, and superintendents of city, local, exempted village, joint vocational, or cooperative education school districts or educational service centers shall be kept confidential, except that any person conducting an audit of any such school district pursuant to section 115.56 or Chapter 117. of the Revised Code may

examine the disclosure statement of any business manager, treasurer, or superintendent of that school district or educational service center. The Ohio ethics commission shall examine each disclosure statement required to be kept confidential to determine whether a potential conflict of interest exists for the person who filed the disclosure statement. A potential conflict of interest exists if the private interests of the person, as indicated by the person's disclosure statement, might interfere with the public interests the person is required to serve in the exercise of the person's authority and duties in the person's office or position of employment. If the commission determines that a potential conflict of interest exists, it shall notify the person who filed the disclosure statement and shall make the portions of the disclosure statement that indicate a potential conflict of interest subject to public inspection in the same manner as is provided for other disclosure statements. Any portion of the disclosure statement that the commission determines does not indicate a potential conflict of interest shall be kept confidential by the commission and shall not be made subject to public inspection, except as is necessary for the enforcement of Chapters 102. and 2921. of the Revised Code and except as otherwise provided in this division.

(C) No person shall knowingly fail to file, on or before the applicable filing deadline established under this section, a statement that is required by this section.

(D) No person shall knowingly file a false statement that is required to be filed under this section.

(E)(1) Except as provided in divisions (E)(2) and (3) of this section, on and after March 2, 1994, the statement required by division (A) or (B) of this section shall be accompanied by a filing fee of twenty-five dollars.

(2) The statement required by division (A) of this section shall be accompanied by a filing fee to be paid by the person who is elected or appointed to or is a candidate for any of the following offices:

For state office, except member of state board of education	\$50
For office of member of United States congress or member of general assembly	\$25
For county office	\$25
For city office	\$10
For office of member of state board of education	\$10
For office of member of city, local, exempted village, or cooperative education board of	



education or educational service center governing board	\$ 5
For position of business manager, treasurer, or superintendent of city, local, exempted village, joint vocational, or cooperative education school district or educational service center	\$ 5

(3) No judge of a court of record or candidate for judge of such a court, and no referee or magistrate serving a court of record, shall be required to pay the fee required under division (E)(1) or (2) or (F) of this section.

(4) For any public official who is appointed to a nonelective office of the state and for any employee who holds a nonelective position in a public agency of the state, the state agency that is the primary employer of the state official or employee shall pay the fee required under division (E)(1) or (F) of this section.

(F) If a statement required to be filed under this section is not filed by the date on which it is required to be filed, the appropriate ethics commission shall assess the person required to file the statement a late filing fee equal to one-half of the applicable filing fee for each day the statement is not filed, except that the total amount of the late filing fee shall not exceed one hundred dollars.

(G)(1) The appropriate ethics commission other than the Ohio ethics commission shall deposit all fees it receives under divisions (E) and (F) of this section into the general revenue fund of the state.

(2) The Ohio ethics commission shall deposit all receipts, including, but not limited to, fees it receives under divisions (E) and (F) of this section and all moneys it receives from settlements under division (G) of section 102.06 of the Revised Code, into the Ohio ethics commission fund, which is hereby created in the state treasury. All moneys credited to the fund shall be used solely for expenses related to the operation and statutory functions of the commission.

(H) Division (A) of this section does not apply to a person elected or appointed to the office of precinct, ward, or district committee member under Chapter 3517. of the Revised Code; a presidential elector; a delegate to a national convention; village or township officials and employees; any physician or psychiatrist who is paid a salary or wage in accordance with schedule C of section 124.15 or schedule E-2 of section 124.152 of the Revised Code and whose primary duties do not require the exercise of administrative discretion; or any member of a board, commission, or bureau

of any county or city who receives less than one thousand dollars per year for serving in that position.

Sec. 107.03. The governor shall submit to the general assembly, not later than four weeks after its organization, a state budget containing a complete financial plan for the ensuing fiscal biennium, ~~except that~~ excluding items of revenue and expenditure described in section 126.022 of the Revised Code. However, in years of a new governor's inauguration, the budget shall be submitted not later than the fifteenth day of March. In years of a new governor's inauguration, only the new governor shall submit a budget to the general assembly. In addition to other things required by law, the governor's budget shall contain:

(A) A general budget summary by function and agency setting forth the proposed total expenses from each and all funds and the anticipated resources for meeting such expenses; such resources to include any available balances in the several funds at the beginning of the biennium and a classification by totals of all revenue receipts estimated to accrue during the biennium under existing law and proposed legislation.

(B) A detailed statement showing the amounts recommended to be appropriated from each fund for each fiscal year of the biennium for current expenses, including, but not limited to, personal services, supplies and materials, equipment, subsidies and revenue distribution, merchandise for resale, transfers, and nonexpense disbursements, obligations, interest on debt, and retirement of debt, and for the biennium for capital outlay, to the respective departments, offices, institutions, as defined in section 121.01 of the Revised Code, and all other public purposes; and, in comparative form, the actual expenses by source of funds during each fiscal year of the previous two bienniums for each such purpose. No alterations shall be made in the requests for the legislative and judicial branches of the state filed with the director of budget and management under section 126.02 of the Revised Code. If any amount of federal money is recommended to be appropriated or has been expended for a purpose for which state money also is recommended to be appropriated or has been expended, the amounts of federal money and state money involved shall be separately identified.

(C) A detailed estimate of the revenue receipts in each fund from each source under existing laws during each year of the biennium; and, in comparative form, actual revenue receipts in each fund from each source for each year of the two previous bienniums;

(D) The estimated cash balance in each fund at the beginning of the biennium covered by the budget; the estimated liabilities outstanding against each such balance; and the estimated net balance remaining and available

for new appropriations;

(E) A detailed estimate of the additional revenue receipts in each fund from each source under proposed legislation, if enacted, during each year of the biennium;

(F) A description of each tax expenditure; a detailed estimate of the amount of revenues not available to the general revenue fund under existing laws during each fiscal year of the biennium covered by the budget due to the operation of each tax expenditure; and, in comparative form, the amount of revenue not available to the general revenue fund during each fiscal year of the immediately preceding biennium due to the operation of each tax expenditure. The report prepared by the department of taxation pursuant to section 5703.48 of the Revised Code shall be submitted to the general assembly as an appendix to the governor's budget. As used in this division, "tax expenditure" has the same meaning as in section 5703.48 of the Revised Code.

Sec. 107.031. Until the first committee appointed under division (C) of section 3317.012 of the Revised Code to reexamine the cost of an adequate education makes its report to the office of budget and management and the general assembly, the governor shall ensure that among the various budget recommendations made by the governor and the director of budget and management to the general assembly each biennium there are recommendations for appropriations to the Ohio school facilities commission, aggregating not less than three hundred million dollars per fiscal year, excluding recommendations for appropriations from the education facilities trust fund, created in section 183.26 of the Revised Code, for constructing, acquiring, replacing, reconstructing, or adding to classroom facilities, as such term is defined in section 3318.01 of the Revised Code.

Sec. 126.02. The director of budget and management shall prepare and submit to the governor, biennially, not later than the first day of January preceding the convening of the general assembly, state budget estimates of revenues and expenditures for each state fund and budget estimates for each state agency, except such estimates as are required under section 126.22 of the Revised Code. The budget estimates for each state agency for which direct appropriations are proposed shall include the following details:

(A) Estimates of the operating budget;

(B) Estimates of the subsidy appropriations necessary, delineated by a distinct subsidy program;

(C) Estimates for special purposes, delineated by a distinct special purpose program;

(D) Estimates of appropriations necessary from each fund in reasonable detail to allow for adequate planning and oversight of programs and activities.

In the preparation of state revenue and expenditure estimates, the director of budget and management shall, not later than the fifteenth day of September in the year preceding the first regular session of the general assembly, distribute to all affected state agencies the forms necessary for the preparation of budget requests, which shall be in the form prescribed by the director in consultation with the legislative budget office of the legislative service commission to procure information concerning the revenues and expenditures for the preceding and current bienniums, an estimate of the revenues and expenditures of the current fiscal year, and an estimate of the revenues and proposed expenditures for the respective agencies for the two succeeding fiscal years for which appropriations have to be made. Each such agency shall, not later than the first day of November, file with the director its estimate of revenues and proposed expenditures for the succeeding biennium.

Each such agency shall, not later than the first day of December, file with the ~~chairmen~~ chairperson of the finance committees of the senate and house of representatives and the legislative budget office a duplicate copy of such budget request.

The budget request shall be accompanied by a statement in writing giving facts and explanation of reasons for the items requested. The director and the legislative budget office may make further inquiry and investigation as to any item desired. The director may approve, disapprove, or alter the requests, excepting those for the legislative and judicial branches of the state. The requests as revised by ~~him~~ the director constitute the state budget estimates of revenues and expenditures which the director is required to submit to the governor.

Sec. 126.022. Not later than four weeks after the general assembly convenes in each even-numbered year, the director of budget and management shall prepare and recommend to the general assembly, subject to the concurrence of the governor, estimates of revenues from, or derived from, payments to the state under the tobacco master settlement agreement and expenditures of such revenues for the biennium beginning on the following first day of July. Each state agency affected by such revenues or expenditures shall submit to the director of budget and management any related information the director requires, in such form and at such times as the director prescribes.

Sec. 183.01. As used in this chapter:

(A) "Tobacco master settlement agreement" means the settlement agreement (and related documents) entered into on November 23, 1998 by the state and leading United States tobacco product manufacturers.

(B) "Net amounts credited to the tobacco master settlement agreement fund" means all amounts credited to the tobacco master settlement agreement fund during a fiscal year, minus all amounts required to be transferred under section 183.02 of the Revised Code to the education facilities trust fund, the education facilities endowment fund, and the income tax reduction fund during the fiscal year. In addition, in fiscal year 2000, "net amounts credited to the tobacco master settlement agreement fund" does not include amounts credited to the tobacco use prevention and cessation trust fund, law enforcement improvements trust fund, and southern Ohio agricultural and community development trust fund from the first payment received that year.

(C) "Southern Ohio" includes any county in this state where tobacco has traditionally been grown.

Sec. 183.02. This section's references to years mean state fiscal years.

All payments received by the state pursuant to the tobacco master settlement agreement shall be deposited into the state treasury to the credit of the tobacco master settlement agreement fund, which is hereby created. All investment earnings of the fund shall also be credited to the fund. Except as provided in division (I) of this section, payments and interest credited to the fund shall be transferred by the director of budget and management as follows:

(A) Of the first payment credited to the tobacco master settlement agreement fund in 2000 and the net amounts credited to the fund annually from 2000 to 2006 and in 2012, the following amount or percentage shall be transferred to the tobacco use prevention and cessation trust fund, created in section 183.03 of the Revised Code:

<u>YEAR</u>	<u>AMOUNT OR PERCENTAGE</u>
2000 (FIRST PAYMENT CREDITED)	\$104,855,222.85
2000 (NET AMOUNT CREDITED)	70.30%
2001	62.84
2002	61.41
2003	63.24
2004	66.65
2005	66.24
2006	65.97
2012	56.01

(B) Of the first payment credited to the tobacco master settlement agreement fund in 2000 and the net amounts credited to the fund annually in 2000 and 2001, the following amount or percentage shall be transferred to the law enforcement improvements trust fund, created in section 183.10 of the Revised Code:

<u>YEAR</u>	<u>AMOUNT OR PERCENTAGE</u>
2000 (FIRST PAYMENT CREDITED)	\$10,000,000
2000 (NET AMOUNT CREDITED)	5.41%
2001	2.32

(C) Of the first payment credited to the tobacco master settlement agreement fund in 2000 and the net amounts credited to the fund annually from 2000 to 2011, the following percentages shall be transferred to the southern Ohio agricultural and community development trust fund, created in section 183.11 of the Revised Code:

<u>YEAR</u>	<u>PERCENTAGE</u>
2000 ( <u>first payment credited</u> )	5.00%
2000 ( <u>net amount credited</u> )	8.73
2001	8.12
2002	9.18
2003	8.91
2004	7.84
2005	7.79
2006	7.76
2007	17.39
2008 <u>through</u> 2011	17.25

(D) The following percentages of the net amounts credited to the tobacco master settlement agreement fund annually shall be transferred to Ohio's public health priorities trust fund, created in section 183.18 of the Revised Code:

<u>YEAR</u>	<u>PERCENTAGE</u>
2000	5.41
2001	6.68
2002	6.79
2003	6.90
2004	7.82
2005	8.18
2006	8.56
2007	19.83
2008	19.66

2009	20.48
2010	21.30
2011	22.12
2012	10.47

(E) The following percentages of the net amounts credited to the tobacco master settlement agreement fund annually shall be transferred to the biomedical research and technology transfer trust fund, created in section 183.19 of the Revised Code:

<u>YEAR</u>	<u>PERCENTAGE</u>
2000	2.71
2001	14.03
2002	13.29
2003	12.73
2004	13.78
2005	14.31
2006	14.66
2007	49.57
2008 to 2011	45.06
2012	18.77

(F) Of the amounts credited to the tobacco master settlement agreement fund annually, the following amounts shall be transferred to the education facilities trust fund, created in section 183.26 of the Revised Code:

<u>YEAR</u>	<u>AMOUNT</u>
2000	\$133,062,504.95
2001	128,938,732.73
2002	185,804,475.78
2003	180,561,673.11
2004	122,778,219.49
2005	121,389,325.80
2006	120,463,396.67
2007	246,389,369.01
2008 to 2011	267,531,291.85
2012	110,954,544.28

(G) Of the amounts credited to the tobacco master settlement agreement fund annually, from 2000 to 2012 five million dollars per year shall be transferred to the education facilities endowment fund, created in section 183.27 of the Revised Code. From 2013 to 2025, the following percentages of the amounts credited to the tobacco master settlement agreement fund annually shall be transferred to the endowment fund:

<u>YEAR</u>	<u>PERCENTAGE</u>
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2013	30.22
2014	33.36
2015 to 2025	40.90

(H) The following percentages of the net amounts credited to the tobacco master settlement agreement fund annually shall be transferred to the education technology trust fund, created in section 183.28 of the Revised Code:

<u>YEAR</u>	<u>PERCENTAGE</u>
2000	7.44
2001	6.01
2002	9.33
2003	8.22
2004	3.91
2005	3.48
2006	3.05
2007	13.21
2008	18.03
2009	17.21
2010	16.39
2011	15.57
2012	14.75

(I) If in any year from 2001 to 2012 the payments and interest credited to the tobacco master settlement agreement fund during the year amount to less than the amounts required to be transferred to the education facilities trust fund and the education facilities endowment fund that year, the director of budget and management shall make none of the transfers required by divisions (A) to (H) of this section.

(J) If in any year from 2000 to 2025 the payments credited to the tobacco master settlement agreement fund during the year exceed the following amounts, the director of budget and management shall transfer the excess to the income tax reduction fund, created in section 131.44 of the Revised Code:

<u>YEAR</u>	<u>AMOUNT</u>
2000	\$443,892,767.51
2001	348,780,049.22
2002	418,783,038.09
2003	422,746,366.61
2004	352,827,184.57
2005	352,827,184.57
2006	352,827,184.57



2007	352,827,184.57
2008 to 2017	383,779,323.15
2018 to 2025	403,202,282.16

Sec. 183.021. (A) No money from the tobacco master settlement agreement fund shall be expended to do any of the following:

(1) Hire an executive agency lobbyist, as defined under section 121.60 of the Revised Code, or a legislative agent, as defined under section 101.70 of the Revised Code;

(2) Support or oppose candidates, ballot questions, referendums, or ballot initiatives.

(B) Nothing in this section prohibits any of the following from advocating on behalf of the specific objectives of a program funded under this chapter:

(1) The members of the board of trustees, executive director, or employees of the tobacco use prevention and control foundation;

(2) The members of the board of trustees, executive director, or employees of the southern Ohio agricultural and community development foundation;

(3) The members, executive director, or employees of the biomedical research and technology transfer commission.

Sec. 183.03. The tobacco use prevention and cessation trust fund is hereby created in the state treasury. Money credited to the fund shall be used as provided in sections 183.04 to 183.10 of the Revised Code. All investment earnings of the fund shall be credited to the fund.

Sec. 183.04. There is hereby created the tobacco use prevention and control foundation, the general management of which is vested in a board of trustees of twenty members as follows:

(A) Eight members who are health professionals, health researchers, or representatives of health organizations. Two of these members shall be appointed by the governor, two by the speaker of the house of representatives, one by the minority leader of the house of representatives, two by the president of the senate, and one by the minority leader of the senate.

(B) Two members, one of whom has experience in financial planning and accounting and one of whom has experience in media and mass marketing, who shall be appointed by the governor;

(C) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the American cancer society;

(D) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the American heart association;

(E) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the American lung association;

(F) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the association of hospitals and health systems;

(G) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the Ohio state medical association;

(H) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the association of Ohio health commissioners;

(I) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the Ohio dental association;

(J) The director of health, executive director of the commission on minority health, and attorney general, who shall serve as ex officio members.

The appointments of the governor shall be with the advice and consent of the senate.

Terms of office for the members appointed by the governor, president, speaker, and minority leaders shall be for five years. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. A vacancy in an unexpired term shall be filled in the same manner as the original appointment. The governor may remove any member for malfeasance, misfeasance, or nonfeasance after a hearing in accordance with Chapter 119. of the Revised Code.

The members of the board shall serve without compensation but shall receive their reasonable and necessary expenses incurred in the conduct of foundation business.

Section 101.84 of the Revised Code does not apply to the foundation.

Sec. 183.05. The board of trustees of the tobacco use prevention and control foundation shall select a chairperson from among its members and shall meet once during each quarter OR at such other times as the board decides. a majority of the members of the board constitutes a quorum, and no action shall be taken without the affirmative vote of a majority of the

members.

Sec. 183.06. The board of trustees of the tobacco use prevention and control foundation shall appoint and set the compensation of an executive director and other employees needed to carry out the duties of the foundation. Before entering upon the discharge of the duties of office, the executive director shall give a bond to the state, to be approved by the governor, conditioned for the faithful performance of the duties of office. The executive director and the other employees of the foundation are state employees and serve in the unclassified service.

Sec. 183.07. The tobacco use prevention and control foundation shall prepare a plan to reduce tobacco use by Ohioans, with emphasis on reducing the use of tobacco by youth, minority and regional populations, pregnant women, and others who may be disproportionately affected by the use of tobacco. The plan shall cover a period of at least five years and be updated annually. At a minimum, the plan shall contain baseline data for tobacco use by Ohioans and establish outcome objectives for reducing tobacco use by Ohioans during the period covered by the plan. The plan may provide for periodic surveys to measure tobacco use and behavior toward tobacco use by Ohioans. Copies of the plan shall be available to the public.

The plan may also describe youth tobacco consumption prevention programs to be eligible for consideration for grants from the foundation and may set forth the criteria by which applications for grants for such programs will be considered by the foundation. Programs eligible for consideration may include:

(A) Media campaigns directed to youth to prevent underage tobacco consumption;

(B) School-based education programs to prevent youth tobacco consumption;

(C) Community-based youth programs involving youth tobacco consumption prevention through general youth development;

(D) Retailer education and compliance efforts to prevent youth tobacco consumption;

(E) Mentoring programs designed to prevent or reduce tobacco use by students.

Pursuant to the plan, the foundation shall carry out, or provide funding for private or public agencies to carry out, research and programs related to tobacco use prevention and cessation. The foundation shall establish an objective process to determine which research and program proposals to fund. When appropriate, proposals for research shall be peer-reviewed. No program shall be carried out or funded by the foundation unless there is

research that indicates that the program is likely to achieve the results desired. All research and programs funded by the foundation shall be goal-oriented and independently and objectively evaluated annually on whether it is meeting its goals. the foundation shall contract for such evaluations and for the annual evaluation required by section 183.09 of the Revised Code and shall adopt rules under Chapter 119. of the Revised Code regarding conflicts of interest in the research and programs it funds.

The foundation shall endeavor to coordinate its research and programs with the efforts of other agencies of this state to reduce tobacco use by Ohioans. Any state agency that conducts a survey that measures tobacco use or behavior toward tobacco use by Ohioans shall share the results of the survey with the foundation.

Sec. 183.08. (A) There is hereby created the tobacco use prevention and control endowment fund, which shall be in the custody of the treasurer of state but shall not be a part of the state treasury. The endowment fund shall consist of amounts appropriated from the tobacco use prevention and cessation trust fund, as well as grants and donations made to the tobacco use prevention and control foundation and investment earnings of the fund. The endowment fund shall be used by the foundation to carry out its duties.

The foundation is the trustee of the endowment fund. Disbursements from the fund shall be paid by the treasurer of state only upon instruments duly authorized by the board of trustees of the foundation. at the request of The foundation, the treasurer of state shall select and contract with one or more investment managers to invest all money credited to the fund that is not currently needed for carrying out the functions of the foundation. The eligible list of investments shall be the same as for the public employees retirement system under section 145.11 of the Revised Code. All investments shall be subject to the same limitations and requirements as the retirement system under that section and sections 145.112 and 145.113 of the Revised Code.

(B) The foundation shall be self-sustaining and should not expect to receive funding from the state beyond the amounts appropriated to it from the tobacco use prevention and cessation trust fund.

Sec. 183.09. The fiscal year of the tobacco use prevention and control foundation shall be the same as the fiscal year of the state.

Within ninety days after the end of each fiscal year, the foundation shall submit to the governor and the general assembly both of the following:

(A) A report of the activities of the foundation during the preceding fiscal year and an independent and objective evaluation of the progress being made by the foundation in reducing tobacco use by ohioans;

(B) A financial report of the foundation for the preceding fiscal year, which shall include both:

(1) Information on the amount and percentage of overhead and administrative expenditures compared to programmatic expenditures;

(2) an independent auditor's report on the general purpose financial statements of the foundation. Such financial statements shall be prepared in conformity with generally accepted accounting principles prescribed for governmental entities.

Sec. 183.10. The law enforcement improvements trust fund is hereby created in the state treasury. Money credited to the fund shall be used by the attorney general to maintain, upgrade, and modernize the law enforcement training and laboratory facilities of the office of the attorney general. All investment earnings of the fund shall be credited to the fund.

Sec. 183.11. The southern Ohio agricultural and community development trust fund is hereby created in the state treasury. Money credited to the fund shall be used as provided in sections 183.12 to 183.17 of the Revised Code. All investment earnings of the fund shall be credited to the fund.

Sec. 183.12. There is hereby created the southern Ohio agricultural and community development foundation, the general management of which is vested in a board of trustees of twelve members as follows:

(A) The director of agriculture, director of development, executive director of the Ohio rural development partnership, and director of the Ohio state university extension, who shall serve as ex officio officers;

(B) two residents of major tobacco-producing counties with experience in local agricultural economic development or community development appointed by the governor;

(C) Three active farmers from major tobacco-producing counties, who shall be appointed by the governor, two of whom shall be appointed from a list of at least four individuals recommended by the Ohio farm bureau and one of whom shall be appointed from a list of at least two individuals recommended by the farmers' union;

(D) Three active tobacco farmers from major tobacco-producing counties, who shall be appointed by the governor from a list of at least six individuals recommended by the Ohio tobacco growers association.

The appointments of the governor shall be with the advice and consent of the senate.

Terms of office for the members appointed by the governor shall be for five years. Each such member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member

appointed by the governor to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. Any member appointed by the governor shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. The governor may remove any member appointed by the governor for malfeasance, misfeasance, or nonfeasance after a hearing in accordance with Chapter 119. of the Revised Code.

A vacancy on the board shall be filled in the same manner as the original appointment.

The members of the board shall serve without compensation but shall receive their reasonable and necessary expenses incurred in the conduct of foundation business.

Section 101.84 of the Revised Code does not apply to the foundation.

As used in this section, "major tobacco-producing counties" means any of the counties, ranked in descending order of pounds produced, where ninety-five per cent of the 1998 burley tobacco quota for the state was produced.

Sec. 183.13. The board of trustees of the southern Ohio agricultural and community development foundation shall select a chairperson from among its members and meet once during each quarter or at such other times as the board decides. A majority of the voting members of the board constitutes a quorum, and no action shall be taken without the affirmative vote of a majority of the voting members.

Sec. 183.14. The board of trustees of the southern Ohio agricultural and community development foundation shall appoint and set the compensation of an executive director and other employees needed to carry out the duties of the foundation. Before entering upon the discharge of the duties of office, the executive director shall give a bond to the state, to be approved by the governor, conditioned for the faithful performance of the duties of office. The executive director and the other employees of the foundation are state employees and serve in the unclassified service.

Sec. 183.15. The southern Ohio agricultural and community development foundation shall endeavor to replace the production of tobacco in southern ohio with the production of other agricultural products and to mitigate the adverse economic impact of reduced tobacco production in the region by preparing, implementing, and keeping current a plan to develop means for tobacco growers to grow other agricultural products voluntarily, which may include any of the following:

(A) Increasing the variety, quantity, and value of agricultural products other than tobacco that are produced in those parts of this state where tobacco has traditionally been grown;

(B) Preserving agricultural land and soils in those parts of this state where tobacco has traditionally been grown;

(C) Making strategic investments in communities that will be affected by the reduction in the demand for tobacco;

(D) Providing education and training assistance to tobacco growers to help them make the transition out of tobacco production.

Copies of the plan shall be made available to the public.

The foundation shall make grants or loans to individuals, public agencies, or privately owned companies to carry out the plan. The foundation shall also adopt rules under Chapter 119. of the Revised Code regarding conflicts of interest in the making of grants or loans.

Sec. 183.16. There is hereby created the southern Ohio agricultural and community development foundation endowment fund, which shall be in the custody of the treasurer of state but shall not be a part of the state treasury. The endowment fund shall consist of amounts appropriated from the southern Ohio agricultural and community development trust fund, as well as grants and donations made to the southern Ohio agricultural and community development foundation and investment earnings of the fund. The endowment fund shall be used by the foundation to carry out its duties.

The foundation is the trustee of the endowment fund. Disbursements from the fund shall be paid by the treasurer of state only upon instruments duly authorized by the board of trustees of the foundation. at the request of The foundation, the treasurer of state shall select and contract with one or more investment managers to invest all money credited to the fund that is not currently needed for carrying out the functions of the foundation. The eligible list of investments shall be the same as for the public employees retirement system under section 145.11 of the Revised Code. All investments shall be subject to the same limitations and requirements as the retirement system under that section and sections 145.112 and 145.113 of the Revised Code.

No money from the southern Ohio agricultural and community development foundation endowment fund shall be used for the direct production costs of growing tobacco.

Sec. 183.17. The fiscal year of the southern Ohio agricultural and community development foundation shall be the same as the fiscal year of the state.

Within ninety days after the end of each fiscal year, the foundation shall

submit to the governor and the general assembly both of the following:

(A) A report of the activities of the foundation during the preceding fiscal year. The report shall also contain an independent evaluation of the progress being made by the foundation in carrying out its duties.

(B) A financial report of the foundation for the preceding year, which shall include both:

(1) Information on the amount and percentage of overhead and administrative expenditures compared to programmatic expenditures;

(2) an independent auditor's report on the general purpose financial statements of the foundation. Such financial statements shall be prepared in conformity with generally accepted accounting principles prescribed for governmental entities.

On or before July 1, 2010, the foundation shall report to the governor and the general assembly on the progress that the foundation has made in replacing the production of tobacco in southern Ohio with the production of other agricultural products and in mitigating the adverse economic impact of reduced tobacco production in the region. if the foundation concludes that a need for additional funding still exists, the foundation may request that provision be made for a portion of the payments credited to the tobacco master settlement agreement fund to continue to be transferred to the southern Ohio agricultural and community development trust fund.

Sec. 183.18. Ohio's public health priorities trust fund is hereby created in the state treasury. Money credited to the fund shall be used for the following purposes:

(A) Minority health programs, on which not less than twenty-five per cent of the annual appropriations from the trust fund shall be expended;

(B) Enforcing section 2927.02 of the Revised Code;

(C) Alcohol and drug abuse prevention programs, including programs for adult and juvenile offenders in state institutions and aftercare programs;

(D) A non-entitlement program funded through the department of health to provide emergency assistance consisting of medication, oxygen, or both to seniors whose health has been adversely affected by tobacco use and whose income does not exceed one hundred per cent of the federal poverty guidelines, on which five per cent of the annual appropriations from the trust fund shall be expended. However, if federal funding becomes available for this purpose, the department shall utilize the federal funding and the appropriations from the trust fund shall be used for the other purposes authorized by this section. If the federal program requires seniors described by this division to pay a premium or copayment to obtain medication or oxygen, the director of health shall recommend to the general assembly



whether this division's set-aside of five per cent of the appropriations from the trust fund should be used to pay such premiums or copayments. As used in this division, "federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code.

(E) Partial reimbursement, on a county basis, of hospitals, free medical clinics, and similar organizations or programs that provide free, uncompensated care to the general public, and of counties that pay private entities to provide such care using revenue from a property tax levied at least in part for that purpose.

All investment earnings of the fund shall be credited to the fund.

Sec. 183.19. The biomedical research and technology transfer trust fund is hereby created in the state treasury. Money credited to the fund shall be used as provided in sections 183.20 to 183.25 of the Revised Code. All investment earnings of the fund shall be credited to the fund.

Sec. 183.20. There is hereby created the biomedical research and technology transfer commission within the Ohio board of regents. The commission shall consist of twenty-five members as follows:

(A) The chancellor of the board, director of development, director of health, and executive director of the commission on minority health, who shall serve as ex officio members;

(B) The director of budget and management, who shall serve as an ex officio member, or the director's designee;

(C) Twelve members, who shall not be or represent potential recipients of grants from the commission, appointed as follows:

(1) Six members, appointed by the governor, at least two of whom are experts in commercializing the results of biomedical research;

(2) Two members appointed by the speaker of the house of representatives;

(3) One member appointed by the minority leader of the house of representatives;

(4) Two members appointed by the president of the senate;

(5) One member appointed by the minority leader of the senate.

(D) Eight nonvoting members appointed by the governor, representing Ohio's biomedical research institutions.

Before making their appointments, the governor, speaker, president, and minority leaders shall solicit, from the state's medical colleges, dental colleges, and medical research institutions, the national institutes of health, and other sources familiar with experts in the field of biomedical research and in commercializing the results of such research, recommendations as to whom to appoint.

The appointments of the governor shall be with the advice and consent of the senate.

Terms of office for the members appointed by the governor, president, speaker, and minority leaders shall be for five years. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. A vacancy in an unexpired term shall be filled in the same manner as the original appointment. The governor may remove any member for malfeasance, misfeasance, or nonfeasance after a hearing in accordance with Chapter 119. of the Revised Code.

The members of the commission shall serve without compensation but shall receive their reasonable and necessary expenses incurred in the conduct of commission business.

Section 101.84 of the Revised Code does not apply to the commission.

Sec. 183.21. The biomedical research and technology transfer commission shall meet once during each quarter or at such other times as the board decides. A majority of the members of the commission constitutes a quorum, and no action shall be taken without the affirmative vote of a majority of the members. The governor shall appoint the chairperson of the commission from among its members, and the chairperson shall serve in that role at the pleasure of the governor.

Sec. 183.22. The biomedical research and technology transfer commission shall appoint and set the compensation of an executive director and other employees needed to carry out the duties of the commission. before entering upon the discharge of the duties of office, the executive director shall give a bond to the state, to be approved by the governor, conditioned for the faithful performance of the duties of office. The executive director and the other employees of the commission are state employees and serve in the unclassified service.

Sec. 183.23. The board of regents shall provide office space and facilities for the biomedical research and technology transfer commission. Any administrative costs associated with the operation of the commission shall be paid from amounts appropriated from the biomedical research and technology transfer trust fund, created by section 183.19 of the Revised Code.

Sec. 183.24. The biomedical research and technology transfer commission shall periodically make strategic assessments of the types of state investments in biomedical research and biotechnology in this state that would be likely to create jobs and business opportunities and produce the most beneficial long-term improvements to the public health of Ohioans. One area of focus for the commission shall be biomedical research and biotechnology initiatives that address tobacco-related illnesses. The assessments shall be available to the public and shall be used by the commission to guide its decisions on awarding grants. The commission shall establish a competitive process for the award of grants that is designed to fund the most meritorious proposals and, when appropriate, provide for peer review of proposals. The commission may make grants to individuals, public agencies, private companies or organizations, or joint ventures for any of a broad range of activities related to biomedical research and technology transfer. Priority shall be given to proposals that would leverage additional private and public funding resources. The commission shall adopt rules under Chapter 119. of the Revised Code regarding conflicts of interest in the awarding of grants.

When appropriate, the commission shall coordinate its activities with those of the tobacco use prevention and control foundation.

Sec. 183.25. Within ninety days after the end of each fiscal year, the biomedical research and technology transfer commission shall submit to the governor and the general assembly a report of the activities of the commission during the preceding fiscal year.

Sec. 183.26. The education facilities trust fund is hereby created in the state treasury. Money credited to the fund shall be used to pay costs of, or to provide the state's share of the costs of, constructing, renovating, or repairing primary and secondary schools. All investment earnings of the fund shall be credited to the fund.

Sec. 183.27. The education facilities endowment fund is hereby created in the state treasury. It is the intent of the general assembly to maintain the fund as a permanent source of revenue for constructing, renovating, or repairing primary and secondary schools in this state. At the beginning of each quarter, all investment earnings of the endowment fund earned during the immediately preceding quarter shall be credited to the education facilities trust fund.

Sec. 183.28. The education technology trust fund is hereby created in the state treasury. Money credited to the fund shall be used to pay costs of new and innovative technology for primary and secondary education, including chartered nonpublic schools, and higher education, including state

institutions of higher education and private nonprofit institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code. All investment earnings of the fund shall be credited to the fund.

Sec. 183.29. The treasurer of state shall, except for any petty cash funds, keep all money received from tobacco master settlement agreement payments or from distributions under this chapter that is needed to meet current demands for the money under this chapter, in public depositories of the active deposits of public moneys of the state, as such terms are used in Chapter 135. of the Revised Code.

Sec. 183.30. (A) No more than five per cent of the total expenditures of the tobacco use prevention and control foundation in a fiscal year shall be for administrative expenses of the foundation.

(B) No more than five per cent of the total expenditures of the southern Ohio agricultural and community development foundation in a fiscal year shall be for administrative expenses of the foundation.

(C) No more than five per cent of the total expenditures of the biomedical research and technology transfer commission in a fiscal year shall be for administrative expenses of the commission.

Sec. 183.31. (A) A public or private agency that receives funding from the tobacco use prevention and control foundation shall expend no more than ten per cent of that funding on administrative expenses.

(B) An individual, public agency, or privately owned company that receives a grant or loan from the southern Ohio agricultural and community development foundation shall expend no more than ten per cent of that grant or loan on administrative expenses.

(C) An individual, public agency, private company or organization, or joint venture that receives a grant from the biomedical research and technology transfer commission shall expend no more than ten per cent of that grant on administrative expenses.

Sec. 183.32. In January every six years beginning in 2012, the president of the senate shall appoint three senators and the speaker of the house of representatives shall appoint three members of the house of representatives to a committee to reexamine the use of tobacco master settlement agreement funds. No more than two members appointed by the president shall be from the same political party as the president, and no more than two members appointed by the speaker shall be from the same political party as the speaker.

The committee shall determine if this chapter's distribution and uses of revenue received under the tobacco master settlement agreement adequately

reflect the state's priorities. Within nine months of its formation, the committee shall report to the general assembly any changes it recommends be made to the distribution and uses. The committee shall cease to exist after making its report.

Sec. 183.33. No money shall be appropriated or transferred from the general revenue fund to the tobacco master settlement agreement fund, tobacco use prevention and cessation trust fund, tobacco use prevention and control endowment fund, law enforcement improvements trust fund, southern Ohio agricultural and community development trust fund, southern Ohio agricultural and community development foundation endowment fund, Ohio's public health priorities trust fund, biomedical research and technology transfer trust fund, education facilities trust fund, education facilities endowment fund, or education technology trust fund. In addition, no money shall be otherwise appropriated or transferred from the general revenue fund for the use of the tobacco use prevention and control foundation or the southern Ohio agricultural and community development foundation.

Sec. 5145.32. (A) As used in this section:

(1) "Smoke" means to burn any substance containing tobacco, including, but not limited to, a lighted cigarette, cigar, or pipe.

(2) "State correctional institution" has the same meaning as in section 2967.01 of the Revised Code and includes a prison that is privately operated and managed pursuant to a contract the department of rehabilitation and correction enters into under section 9.06 of the Revised Code.

(3) "Use tobacco" means to chew or maintain any substance containing tobacco, including smokeless tobacco, in the mouth to derive the effects of tobacco.

(B) No person shall smoke, use, or possess tobacco or have tobacco under the person's control on any property under the control of the corrections medical center in Columbus or the Ohio state penitentiary in Youngstown.

(C) No person shall smoke or use tobacco in a building of the north coast correctional treatment facility in Grafton, Lake Erie correctional institution, Toledo correctional institution, Hocking correctional facility, Oakwood correctional facility, northeast pre-release center, Franklin pre-release center, or Montgomery education pre-release center.

(D)(1) The director of rehabilitation and correction shall designate at least one tobacco-free housing area within each state correctional institution that is not identified in division (B) or (C) of this section.

(2) No person shall smoke or use tobacco in an area designated by the

director under division (D)(1) of this section.

(E) A violation of division (B), (C), or (D)(2) of this section is not a criminal offense. The department of rehabilitation and correction shall adopt rules that establish procedures for the enforcement of those divisions and that establish disciplinary measures for a violation of those divisions.

(F) The department may designate locations at which it is permissible to smoke or use tobacco outside of a building of an institution identified in division (C) of this section.

(G) The department shall provide smoking and tobacco usage cessation programs for prisoners at all state correctional institutions, subject to available funding.

(H) The director shall review the practicality of eliminating access to smoking or tobacco usage in specialized units to which this section's prohibitions do not otherwise apply.

SECTION 2. That existing sections 102.02, 107.03, 107.031, and 126.02 of the Revised Code are hereby repealed.

SECTION 3. Except as otherwise provided, all items in this act are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund, which are not otherwise appropriated. For all appropriations made in this section, those in the first column are for fiscal year 2001 and those in the second column are for fiscal year 2002.

Section 4. AGR DEPARTMENT OF AGRICULTURE

Tobacco Master Settlement Agreement Fund Group			
K87 700-502	Southern Ohio Agriculture and Community Development Foundation	\$ 22,189,403	\$ 17,445,115
TOTAL TSF Tobacco Master Settlement Agreement Fund Group			
		\$ 22,189,403	\$ 17,445,115
TOTAL ALL BUDGET FUND GROUPS			
		\$ 22,189,403	\$ 17,445,115

Southern Ohio Agriculture and Community Development Foundation

The foregoing appropriation item 700-502, Southern Ohio Agriculture and Community Development Foundation, shall be used in accordance with sections 183.02 and 183.11 to 183.17 of the Revised Code. The Director of Agriculture shall disburse moneys appropriated in this appropriation item to the Southern Ohio Agricultural and Community Development Foundation Endowment Fund created by section 183.16 of the Revised Code to be used by the Southern Ohio Agricultural and Community Development Foundation to carry out its duties.

**Section 5. CEB CONTROLLING BOARD**

**Tobacco Master Settlement Agreement Fund Group**

S87 911-405 Education Technology Trust Fund	\$	13,758,794	\$	12,911,963
TOTAL TSF Tobacco Master Settlement Agreement Fund Group	\$	13,758,794	\$	12,911,963
TOTAL ALL BUDGET FUND GROUPS	\$	13,758,794	\$	12,911,963

**Education Technology Trust Fund**

The Controlling Board may transfer to any appropriate state agency portions of appropriation item 911-405, Education Technology Trust Fund, upon receipt of an approved plan submitted by the Director of Budget and Management.

**Section 6. DOH DEPARTMENT OF HEALTH**

**Tobacco Master Settlement Agreement Fund Group**

H87 440-502 Tobacco Use Prevention and Control Foundation	\$	234,861,033	\$	135,006,283
L87 440-403 Ohio's Public Health Priorities Trust Fund	\$	10,004,715	\$	14,351,400
TOTAL TSF Tobacco Master Settlement Agreement Fund Group	\$	244,865,748	\$	149,357,683
TOTAL ALL BUDGET FUND GROUPS	\$	244,865,748	\$	149,357,683

**Tobacco Use Prevention and Control Foundation**

The foregoing appropriation item 440-502, Tobacco Use Prevention and Control Foundation, shall be used in accordance with sections 183.02 to 183.09 of the Revised Code. The Director of Health shall disburse moneys appropriated in this appropriation item to the Tobacco Use Prevention and Control Endowment Fund created by section 183.08 of the Revised Code to be used by the Tobacco Use Prevention and Control Foundation to carry out its duties.

**Ohio's Public Health Priorities Trust Fund**

The Director of Budget and Management shall establish a plan for the use of appropriation item 440-403, Ohio's Public Health Priorities Trust Fund, for any of the purposes authorized by section 183.18 of the Revised Code. In preparing the plan, which shall be subject to approval by the Controlling Board, the Director of Budget and Management shall consult with the Director of Rehabilitation and Correction, the Director of Health, the Director of Alcohol and Drug Addiction Services, the Attorney General, and the Executive Director of the Commission on Minority Health.

Upon approval of the plan by the Controlling Board, the Director of Budget and Management may transfer to any appropriate state agency portions of appropriation item 440-403, Ohio's Public Health Priorities Trust Fund, for any of the purposes authorized by section 183.18 of the Revised

Code and the amounts transferred are hereby appropriated.

**Section 7. BOR BOARD OF REGENTS**

**Tobacco Master Settlement Agreement Fund Group**

M87 235-405	Biomedical Research and Technology Transfer Commission	\$	5,011,604	\$	30,142,237
TOTAL TSF Tobacco Master Settlement Agreement Fund Group					
		\$	5,011,604	\$	30,142,237
TOTAL ALL BUDGET FUND GROUPS					
		\$	5,011,604	\$	30,142,237

SECTION 8. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Education Facilities Trust Fund (Fund N87) that are not otherwise appropriated.

**Appropriations**

**SFC SCHOOL FACILITIES COMMISSION**

CAP-780	Classroom Facilities Assistance Program	\$	462,805,714
Total School Facilities Commission		\$	462,805,714
TOTAL Education Facilities Trust Fund		\$	462,805,714

SECTION 9. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Law Enforcement Improvements Trust Fund (Fund J87) that are not otherwise appropriated.

**Appropriations**

**AGO ATTORNEY GENERAL**

CAP-716	Lab and Training Facility Improvements	\$	2,000,000
Total Attorney General		\$	2,000,000
TOTAL Law Enforcement Improvements Trust Fund		\$	2,000,000

SECTION 10. Sections 8 and 9 of this act shall remain in full force and effect commencing on July 1, 2000, and terminating on June 30, 2002, for the purpose of drawing money from the state treasury in payment of liabilities lawfully incurred thereunder, and on June 30, 2002, and not before, the moneys appropriated thereby shall lapse into the funds from which they are severally appropriated.

The appropriations made in Sections 8 and 9 of this act are subject to all provisions of the capital appropriations bill governing the 2000-2002 biennium that are generally applicable to such appropriations. Expenditures from appropriations contained in Sections 8 and 9 shall be accounted for as though made in the capital appropriations bill governing the 2000-2002 biennium.



SECTION 11.

Personal Service Expenses

Unless otherwise prohibited by law, each appropriation in this act from which personal service expenses are paid shall bear the employer's share of public employees' retirement, workers' compensation, disabled workers' relief, and all group insurance programs; the costs of centralized accounting, centralized payroll processing, and related personnel reports and services; the cost of the Office of Collective Bargaining; the cost of the Personnel Board of Review; the cost of the Employee Assistance Program; the cost of the Equal Opportunity Center; the costs of interagency information management infrastructure; and the cost of administering the state employee merit system as required by section 124.07 of the Revised Code. Such costs shall be determined in conformity with appropriate sections of law and paid in accordance with procedures specified by the Office of Budget and Management.

SECTION 12. The Tobacco Master Settlement Agreement Fund created by section 183.02 of the Revised Code is the same as Fund 087, the Tobacco Master Settlement Agreement Fund created by the Controlling Board in March 1999.

SECTION 13. The Governor, President and Minority Leader of the Senate, and Speaker and Minority Leader of the House of Representatives shall make their initial appointments to the board of trustees of the Tobacco Use Prevention and Control Foundation within 90 days after the effective date of this section. Notwithstanding section 183.04 of the Revised Code:

(A) The Governor shall appoint one member under division (A) of that section to an initial term ending one year after the effective date of this section and one to an initial term ending three years after the effective date of this section; the President shall appoint one member to an initial term ending three years after the effective date of this section and one to an initial term ending five years after the effective date of this section; the Minority Leader of the Senate shall appoint one member to an initial term ending four years after the effective date of this section; the Speaker shall appoint one member to an initial term ending two years after the effective date of this section and one to an initial term ending four years after the effective date of this section; and the Minority Leader of the House of Representatives shall

appoint one member to an initial term ending three years after the effective date of this section.

(B) The Governor shall appoint one member under division (B) of that section to an initial term ending two years after the effective date of this section and the other member to an initial term ending four years after the effective date of this section.

(C) The Governor shall appoint the five members under divisions (C) to (G) of that section to initial terms of office ending one, two, three, four, and five years after the effective date of this section.

(D) The Governor shall appoint the members under divisions (H) and (I) of that section to initial terms ending five years after the effective date of this section.

(E) Thereafter, terms of office shall be for five years as provided in section 183.04 of the Revised Code.

SECTION 14. The Governor shall make the initial appointments to the board of trustees of the Southern Ohio Agricultural and Community Development Foundation within 90 days after the effective date of this section. Notwithstanding section 183.12 of the Revised Code:

(A) The Governor shall appoint one member under divisions (B) and (C) of that section to an initial term ending one year after the effective date of this section, one to an initial term ending two years after the effective date of this section, one to an initial term ending three years after the effective date of this section, one to an initial term ending four years after the effective date of this section, and one to an initial term ending five years after the effective date of this section.

(B) The Governor shall appoint one member under division (D) of that section to an initial term ending two years after the effective date of this section, one to an initial term ending three years after the effective date of this section, and one to an initial term ending four years after the effective date of this section.

(C) Thereafter, terms of office of these members shall be for five years as provided in section 183.12 of the Revised Code.

SECTION 15. The Governor, President and Minority Leader of the Senate, and Speaker and Minority Leader of the House of Representatives shall make their initial appointments to the Biomedical Research and Technology Transfer Commission within 90 days after the effective date of this section. Notwithstanding section 183.20 of the Revised Code:

(A) The Governor shall appoint one member under division (C)(1) of that section to an initial term ending one year after the effective date of this section, one to an initial term ending two years after the effective date of this section, one to an initial term ending three years after the effective date of this section, one to an initial term ending four years after the effective date of this section, and two to initial terms ending five years after the effective date of this section.

(B) The Speaker of the House of Representatives shall appoint one member under division (C)(2) of that section to an initial term ending one year after the effective date of this section and one member to an initial term ending five years after the effective date of this section.

(C) The Minority Leader of the House of Representatives shall appoint one member under division (C)(3) of that section to an initial term ending four years after the effective date of this section.

(D) The President of the Senate shall appoint one member of the Commission under division (C)(4) of that section to an initial term ending one year after the effective date of this section and the other member to an initial term ending four years after the effective date of this section.

(E) The Minority Leader of the Senate shall appoint one member under division (C)(5) of that section to an initial term ending three years after the effective date of this section.

(F) Thereafter, terms of office shall be for five years as provided in section 183.20 of the Revised Code.

SECTION 16. The Legislative Budget Office of the Legislative Service Commission shall study issues concerning the availability of prescription drugs for low-income elderly Ohioans who suffer from tobacco-related illnesses. The Legislative Budget Office shall submit to the General Assembly a report on its study within one year of the effective date of this section. The report shall provide information on all of the following:

(A) What public and private resources and methods currently are used by low-income elderly Ohioans to obtain prescription drugs? The study shall examine the role of Medicaid, including PASSPORT; Medicare; other federal programs; private health insurance; and health clinics and hospitals.

(B) What are pertinent issues concerning prescription drug cost, usage, and research and development? The study shall examine average annual drug costs per person, average annual costs per prescription, and trends for these two averages. The study also shall present information on drugs with the highest volume usage and drugs with the highest cost.

(C) How do physician practices affect prescription drug cost and

availability?

(D) How do managed care practices affect prescription drug cost and availability?

(E) What are other states doing in this regard, and how do the other states pay for it?

The report shall not include recommendations for legislative action.

SECTION 17. While respecting the right of each General Assembly to evaluate independently the budgetary priorities of the state and while acknowledging that the economic conditions, educational needs, and tax burdens of the people of the state will inevitably change, the 123rd General Assembly of the state of Ohio earnestly requests future General Assemblies, when they consider how to spend and invest money credited to the Tobacco Master Settlement Agreement Fund after fiscal year 2012, to give due regard to the thoughtful and creative recommendations of the fifteen-member bipartisan Governor's Tobacco Task Force in 1999. These recommendations, which were developed in the course of seventeen meetings that the Task Force conducted to hear public testimony and to discuss the allocation of tobacco settlement payments, were that the following percentages of the total revenue received by the state through fiscal year 2025 under the Tobacco Master Settlement Agreement should be allocated as follows: fourteen and eight-tenths per cent to tobacco use prevention and cessation programs, ten and one-tenth per cent to other public health priorities, seventeen and eight-tenths per cent to investments in biomedical research and technology transfer, forty-four and seven-tenths per cent to rebuilding and renovating primary and secondary schools, ten per cent to education technologies, two-tenths of one per cent to law enforcement improvements, and two and three-tenths per cent to assisting tobacco farmers and their communities.

SECTION 18. (A) The Tobacco Oversight Accountability Panel is hereby created. The committee shall consist of the Director of Budget and Management or the Director's designee, three members of the House of Representatives appointed by the Speaker of the House of Representatives, no more than two of whom shall belong to the same political party as the Speaker, and three members of the Senate appointed by the President of the Senate, no more than two of whom shall belong to the same political party as the President.

(B) The Panel shall develop appropriate achievement benchmarks for

each of the following:

- (1) The Tobacco Use Prevention and Cessation Trust Fund;
- (2) The Law Enforcement Improvements Trust Fund;
- (3) The Southern Ohio Agricultural and Community Development Trust Fund;
- (4) Ohio's Public Health Priorities Trust Fund;
- (5) The Biomedical Research and Technology Transfer Trust Fund;
- (6) The Education Facilities Trust Fund;
- (7) The Education Technology Trust Fund.

(C) On or before December 31, 2000, the Panel shall submit a report describing the achievement benchmarks developed under division (B) of this section to the Governor, the General Assembly, and the chairpersons and ranking minority members of the finance committees of the Senate and House of Representatives. Upon submitting the report, the panel shall cease to exist.

Section 19. Notwithstanding section 183.13 of the Revised Code, the Director of Agriculture shall call and preside over the organizational meeting of the board of trustees of the Southern Ohio Agricultural and Community Development Foundation.

SECTION 20. Except as otherwise specifically provided in this act, the codified and uncodified sections of law contained in this act, and the items of law of which the codified and uncodified sections of law contained in this act are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the codified and uncodified sections of law contained in this act, and the items of law of which the codified and uncodified sections of law contained in this act are composed, take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such codified or uncodified section of law contained in this act, or against any item of law of which any such codified or uncodified section of law contained in this act is composed, the codified or uncodified section of law, or item of law, unless rejected at the referendum, takes effect at the earliest time permitted by law.

Sec. 21. This section and Sections 3 to 11 of this act are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, this section and Sections 3 to 11 of this act go into immediate effect when this act becomes law.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Am. Sub. S. B. No. 192

39

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the  
\_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_