



Jennifer A. Parker  
Maria E. Seaman

## Conference Committee Synopsis

Legislative Service Commission

### Am. Sub. S.B. 242 124th General Assembly

*The Conference Committee recommends the bill as passed by the House of Representatives with the following changes:*

Topic	Senate Version	House Version	Conference Committee Recommendation
<b>Unfair Cigarette Sales Act: determination of a retailer's "cost of doing business"</b> (R.C. 1333.11(B); Section 24)	No provision.	No provision.	Provides that a retailer's "cost of doing business" is <b>8%</b> of the invoice cost of the cigarettes to the retailer, or of the replacement cost of the cigarettes to the retailer, whichever is lower, rather than <b>6%</b> as in current law. (This provision takes effect July 1, 2002.)
<b>Unfair Cigarette Sales Act: determination of a wholesaler's markup</b> (R.C. 1333.11(C); Section 24)	No provision.	No provision.	Provides that a wholesaler's markup is <b>3.5%</b> of the invoice cost of the cigarettes to the wholesaler, or of the replacement cost of the cigarettes to the wholesaler, whichever is lower, rather than <b>2.5%</b> as in current law. (This provision takes effect July 1, 2002.)

Topic	Senate Version	House Version	Conference Committee Recommendation
<p><b>Illegal distribution of cigarettes or other tobacco products</b> (<i>R.C. 2927.02(B)(4) and (5) and (F)(1)</i>)</p>	<p>No provision.</p>	<p>No provision.</p>	<p>Prohibits (1) the manufacture, sale, or distribution of any pack of cigarettes containing fewer than 20 cigarettes or any package of roll-your-own tobacco containing less than 0.6 of an ounce of tobacco and (2) the sale of cigarettes in a smaller quantity than that placed in the pack by the manufacturer. Violation of this prohibition is a misdemeanor of the fourth degree and, on any subsequent offense, a misdemeanor of the third degree.</p>
<p><b>Disbursement of Tobacco Master Settlement Funds to the General Revenue Fund</b> (<i>Section 16</i>)</p>	<p>Requires the Director of Budget and Management to transfer funds to the GRF that would have otherwise been transferred to the Southern Ohio Agricultural and Community Development Trust Fund and the Ohio's Public Health Priorities Trust Fund.</p>	<p>Same as the Senate.</p>	<p>Removes the provision that requires the Director of Budget and Management to transfer funds to the GRF that would have otherwise been transferred to the Southern Ohio Agricultural and Community Development Trust Fund.</p> <p>Clarifies how the Director of Budget and Management is to disburse Tobacco Master Settlement Agreement funds to the General Revenue Fund that</p>



Topic	Senate Version	House Version	Conference Committee Recommendation
			would have otherwise been transferred to the Ohio's Public Health Priorities Trust Fund.
<b>Indemnification payments for production losses</b>	No provision.	No provision.	Requires the Southern Ohio Agricultural and Community Development Foundation to identify quota owners, growers, producers, and tenant farmers engaged in the production of burley tobacco and determine if they are eligible for an indemnification payment. Requires the Foundation to calculate and make indemnification payments for production losses to eligible candidates. Limits payments to candidates in the part of the state where burley tobacco has traditionally been grown.
<b>Distribution of excess revenue</b> <i>(Section 16)</i>	Requires the Director of Budget and Management to transfer any revenue in excess of current tobacco revenue estimates for FYs 2002 and 2003 to the Ohio's Public Health Priorities Trust Fund (Fund L87) and the Southern Ohio Agricultural and Community Development Trust Fund (Fund K87). Requires	Same as the Senate.	Changes the method for distributing revenue that is credited to the Tobacco Master Settlement Agreement Fund within a specified threshold that is considered excess. Requires the Director of Budget and Management to compare the amount of revenue that is credited to the Tobacco Master



Topic	Senate Version	House Version	Conference Committee Recommendation
	<p>that if revenues are greater than those estimates, Fund L87 would receive 42.52% of the excess in FY 2002 and 43.64% of the excess in FY 2003. In addition, requires that Fund K87 would receive 57.48% of the excess in FY 2002 and 56.36% of the excess in FY 2003. Also applies these percentages to any revenue that the state receives from escrow accounts established by tobacco companies participating in the master settlement agreement that are withholding their disbursement pending the resolution of a dispute of their calculated payment.</p>		<p>Settlement Agreement Fund in FYs 2002 and 2003 that falls within a specified range to the amount the state receives in each of those years from an escrow account that has been established by a tobacco company that is participating in the master settlement agreement, while that company is disputing a portion of its calculated payments. Requires the Director to distribute whichever amount is greater.</p> <p>Requires the Director to distribute the excess funds such that over FYs 2003 and 2004, the Ohio's Public Health Priorities Trust Fund receives up to a total of \$3.9 million first and then any additional amounts would be transferred to the Southern Ohio Agricultural and Community Development Trust Fund.</p>



Topic	Senate Version	House Version	Conference Committee Recommendation
<p><b>Education Facilities Trust Fund (Fund M87)</b> (<i>Section 14</i>)</p>	<p>Appropriates \$313.4 million for the Classroom Facilities Assistance Program (CFAP) through the School Facilities Commission.</p>	<p>Same as the Senate.</p>	<p>Reduces the appropriation by \$165.0 million to reflect changes that were made in Am. Sub. S.B. 261, which authorizes the School Facilities Commission to issue \$345.0 million in bonds over the FY 2003–FY 2004 biennium for the School Building Assistance Program.</p> <p>Requires the Director of the School Facilities Commission to cancel encumbrances that would be paid out of the Education Facilities Trust Fund (Fund N87) and to reestablish those encumbrances for payment from the School Building Program Assistance Fund (Fund 032), which is where the bond proceeds will be deposited.</p>

S0242.124/jc

