

A bill for an act
relating to health; establishing Minnesota Colorectal Cancer Prevention Act and
women's heart health program; increasing tobacco-related taxes and designating
funds for public health programs; appropriating money; amending Minnesota
Statutes 2008, sections 297F.01, subdivision 19; 297F.05, subdivisions 1, 3, 4,
by adding a subdivision; 297F.10; proposing coding for new law in Minnesota
Statutes, chapter 144.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **TITLE.**

This act may be cited as the "Act for a Healthy Future."

Sec. 2. **[144.941] MINNESOTA COLORECTAL CANCER PREVENTION ACT.**

Subdivision 1. **Purpose.** Colon cancer is one of Minnesota's leading causes of
death and one of the most preventable forms of cancer. The Minnesota Colorectal Cancer
Prevention Act creates a demonstration project and public-private partnership that
leverages the business, nonprofit, and governmental sectors to reduce the incidence of
colon cancer, reduce future health care expenditures, and address health disparities by
emphasizing prevention in a manner consistent with Minnesota's health care reform goals.

Subd. 2. **Establishment.** The commissioner shall establish a program to provide
grants under a colorectal cancer screening program to provide screening to uninsured and
underinsured women and men.

Subd. 3. **Eligibility.** Grantees must provide the services described in subdivisions 4
and 5 to eligible applicants. To be eligible to receive colorectal cancer screening under
this program, an applicant must:

(1) be at least 50 years of age, or under the age of 50 and at high risk for colon cancer;

(2) be uninsured, have insurance that does not cover the full cost of colorectal cancer screenings, or be unable to pay the deductible or co-payment; and

(3) have a gross family income at or below 250 percent of the federal poverty level.

Subd. 4. **Services.** Services provided under this program include:

(1) colorectal cancer screening, according to standard practice of medicine, or guidelines provided by the Institute for Clinical Systems Improvement or the American Cancer Society;

(2) follow-up services for abnormal tests; and

(3) diagnostic services.

Subd. 5. **Treatment.** If an enrollee who is screened under this program is diagnosed with colorectal cancer, the enrollee is covered by medical assistance if the enrollee is uninsured or has insurance that does not cover treatment of colorectal cancer. Medical assistance coverage ends when a course of treatment is completed, but enrollees are not limited to one period of coverage. A new coverage period begins each time an enrollee is screened and determined to need treatment for colorectal cancer.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 3. [144.942] WOMEN'S HEART HEALTH PROGRAM.

Subdivision 1. **Establishment.** The commissioner shall develop and implement a women's heart health program to provide heart disease risk screening to uninsured and underinsured women.

Subd. 2. **Services.** Under this program, the commissioner must contract with health care clinics to provide heart disease risk screenings to eligible women. The clinics may also provide follow-up services to women found to be at risk for heart disease.

Subd. 3. **Eligibility.** To be eligible for screening under this program, an applicant must:

(1) be between the ages of 40 and 64 years;

(2) receive breast and cervical cancer screening services under the Department of Health's SAGE program;

(3) be uninsured, or have insurance that does not cover heart disease risk screenings; and

(4) have a gross family income at or below 250 percent of the federal poverty level.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 297F.01, subdivision 19, is amended to read:

Subd. 19. **Tobacco products.** "Tobacco products" means cigars; little cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; and any other product containing tobacco or nicotine that is intended or expected to be consumed without being combusted, unless it has been approved by the Food and Drug Administration for sale as a tobacco use cessation or harm reduction product or for other medical purposes and is being marketed and sold for that approved purpose; but does not include cigarettes as defined in this section.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 5. Minnesota Statutes 2008, section 297F.05, subdivision 1, is amended to read:

Subdivision 1. **Rates; cigarettes.** A tax is imposed upon the sale of cigarettes in this state, upon having cigarettes in possession in this state with intent to sell, upon any person engaged in business as a distributor, and upon the use or storage by consumers, at the following rates:

(1) on cigarettes weighing not more than three pounds per thousand, ~~24 mills~~ 74 mills on each such cigarette; and

(2) on cigarettes weighing more than three pounds per thousand, ~~48 mills~~ 148 mills on each such cigarette.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 297F.05, subdivision 3, is amended to read:

Subd. 3. **Rates; tobacco products.** A tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor, at the rate of ~~35 percent~~ 70 percent of the wholesale sales price of the tobacco products. The tax is imposed at the time the distributor:

(1) brings, or causes to be brought, into this state from outside the state tobacco products for sale;

(2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or

(3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 7. Minnesota Statutes 2008, section 297F.05, is amended by adding a subdivision to read:

Subd. 3a. **Minimum tax on tobacco products.** Any tobacco product subject to a tax under subdivision 3 with a price of less than \$2 per ounce is taxed as if its price were \$2 per ounce. The commissioner must annually increase this amount, beginning July 1, 2010, to account for increases in the price of tobacco products over the calendar year, based on the Consumer Price Index for tobacco products or on other reliable tobacco products price trend data available to the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 8. Minnesota Statutes 2008, section 297F.05, subdivision 4, is amended to read:

Subd. 4. **Use tax; tobacco products.** A tax is imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of ~~35 percent~~ 70 percent of the cost to the consumer of the tobacco products.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 9. Minnesota Statutes 2008, section 297F.10, is amended to read:

297F.10 DEPOSIT OF PROCEEDS.

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(1) \$22,220,000 for fiscal year 2006 and \$22,250,000 for fiscal year 2007 and each year thereafter must be credited to the Academic Health Center special revenue fund hereby created and is annually appropriated to the Board of Regents at the University of Minnesota for Academic Health Center funding at the University of Minnesota; and

(2) \$8,553,000 for fiscal year 2006 and \$8,550,000 for fiscal year 2007 and each year thereafter must be credited to the medical education and research costs account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for distribution under section 62J.692, subdivision 4; ~~and~~

(3) revenues attributable to the following must be deposited in the health care access fund:

(i) 50 mills of the tax imposed under section 297F.05, subdivision 1, clause (1); plus

(ii) 100 mills of the tax imposed under section 297F.05, subdivision 1, clause (2); less
(iii) an estimate of the reduction in the amount of revenues attributable to the rest of
the taxes and fees under sections 256.9658 and 297F.05, subdivision 1, as a result of the
imposition of the taxes listed in items (i) and (ii).

~~(3)~~ (4) the balance of the revenues derived from taxes, penalties, and interest (under
this chapter) and from license fees and miscellaneous sources of revenue shall be credited
to the general fund.

Subd. 2. **Tax and use tax on tobacco products.** Revenue received from taxes on
tobacco products, as well as related penalties, interest, and license fees shall be deposited
by the commissioner in the state treasury and credited to the general fund, except revenues
attributable to the following must be deposited in the health care access fund:

(1) 35 percentage points of the tax imposed under section 297F.05, subdivisions
3 and 5; plus

(2) the minimum tax on tobacco products under section 297F.05, subdivision 3a; less

(3) an estimate of the reduction in the amount of revenues attributable to the rest of
the taxes and fees under sections 256.9658; 297F.05, subdivisions 3 and 5; and 297F.24 as
a result of the imposition of the taxes and fees listed in clauses (1) and (2) and one-half
of the fee imposed under section 297F.24.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 10. **FLOOR STOCKS TAX.**

Subdivision 1. **Cigarettes.** (a) A floor stocks cigarette sales tax is imposed on every
person engaged in the business in this state as a distributor, retailer, subjobber, vendor,
manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes and
unaffixed stamps in the person's possession or under the person's control at 12:01 a.m. on
July 1, 2009. The tax is imposed at the rate of \$1 per pack of 20 cigarettes. For packs of
cigarettes with other than 20 cigarettes, the tax is adjusted proportionally.

(b) Each distributor, by July 15, 2009, shall file a return with the commissioner of
revenue, in the form the commissioner prescribes, showing the stamped cigarettes and
unaffixed stamps on hand at 12:01 a.m. on July 1, 2009, and the amount of tax due on the
cigarettes and unaffixed stamps. The tax imposed by this section is due and payable by
August 14, 2009, and after that date bears interest at the rate of one percent a month.

(c) Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative,
by July 15, 2009, shall file a return with the commissioner, in the form the commissioner
prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 2009, and the amount

of tax due on the cigarettes. The tax imposed by this section is due and payable by August 14, 2009, and after that date bears interest at the rate of one percent per month.

Subd. 2 **Audit and enforcement.** The tax imposed by this section is subject to the audit, assessment, penalty, and collection provisions applicable to the taxes imposed under Minnesota Statutes, chapter 297F. The commissioner may require a distributor to receive and maintain copies of floor stocks tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3 **Deposit of revenues.** The revenue from the tax imposed under this section shall be deposited by the commissioner of revenue in the state treasury and credited to the health care access fund.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. **ADJUSTMENT OF CIGARETTE SALES TAX.**

The commissioner of revenue shall adjust the cigarette sales tax rate under Minnesota Statutes, section 297F.25 that is effective August 1, 2009, to reflect the estimated effect on cigarette prices of the imposition of the increased cigarette taxes and fees under this act.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. **APPROPRIATIONS.**

(a) \$250,000 each year is appropriated for fiscal years 2010 and 2011 from the health care access fund to the commissioner of health for the heart disease and stroke prevention unit of the Department of Health to fund data collection and other activities to improve cardiovascular health and reduce the burden of heart disease and stroke in Minnesota. This appropriation shall be added to the base.

(b) \$47,000,000 is appropriated for the biennium beginning July 1, 2011, from the health care access fund to the commissioner of health for the statewide health improvement program under Minnesota Statutes, section 145.986. This appropriation shall be added to the base.

(c) \$2,000,000 each year is appropriated for fiscal years 2010 and 2011, from the health care access fund to the commissioner of health for the Minnesota Colorectal Cancer Prevention Act under Minnesota Statutes, section 144.941. This appropriation shall be added to the base.

(d) \$750,000 each year is appropriated for fiscal years 2010 and 2011 from the health care access fund to the commissioner of health for the women's heart health

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- 7.1 program, established in Minnesota Statutes, section 144.942. This appropriation shall be
7.2 added to the base.