

Fifty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2401

Introduced by

Senators Lee, Espgaard

Representatives Keiser, Price

1 A BILL for an Act to amend and reenact section 57-36-32 of the North Dakota Century Code,
2 relating to the rate of tax on the sale of cigarettes; to provide an appropriation; and to provide
3 an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 57-36-32 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-36-32. Separate and additional tax on the sale of cigarettes - Collection -**
8 **Allocation of revenue - Tax avoidance prohibited.** There is hereby levied and assessed and
9 there shall be collected by the state tax commissioner and paid to the state treasurer, upon all
10 cigarettes sold in this state, an additional tax, separate and apart from all other taxes, of
11 ~~seventeen~~ eighteen mills on each cigarette, to be collected as existing taxes on cigarettes sold
12 are, or hereafter may be, collected, by use of appropriate stamps and under similar accounting
13 procedures. No person, firm, corporation, or limited liability company shall transport or bring or
14 cause to be shipped into the state of North Dakota any cigarettes as provided herein, other than
15 for delivery to wholesalers in this state, without first paying the tax thereon to the state tax
16 commissioner. All of the moneys collected by the state treasurer under this section ~~shall~~ must
17 be credited to the state general fund, except the net revenue from one mill per cigarette of the
18 tax imposed under this section must be deposited in the community health trust fund.

19 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
20 community health trust fund in the state treasury, not otherwise appropriated, the sum of
21 \$1,000,000, or so much of the sum as may be necessary, to the state department of health for
22 the purpose of providing grants for primary health care to community clinics offering a sliding
23 fee scale and demonstrating a commitment to serve a disproportionate share of low-income,

- 1 uninsured, and underserved populations in both rural and urban North Dakota for the biennium
- 2 beginning July 1, 2001, and ending June 30, 2003.
- 3 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
- 4 June 30, 2001.