



**AN ACT IMPLEMENTING A TAX ON CONTROLLED SUBSTANCES
AND FUNDING REGIONAL OPIOID ABUSE PREVENTION AND
TREATMENT PROGRAMS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2016*) (a) For the purposes of
2 this section and section 2 of this act:

3 (1) "Commissioner" means the Commissioner of Revenue Services;

4 (2) "Controlled substance" means a controlled substance, as defined
5 in section 21a-240 of the general statutes, in schedule I or II, except that
6 "controlled substance" does not include marijuana prescribed for
7 palliative use pursuant to chapter 420f of the general statutes;

8 (3) "Manufacturer" means a manufacturer of a controlled substance
9 to be sold in this state, and includes, but is not limited to, a
10 manufacturer of a controlled substance that is licensed in accordance
11 with section 21a-246 of the general statutes;

12 (4) "Pharmacist" means a person authorized by law to practice
13 pharmacy pursuant to section 20-590, 20-591, 20-592 or 20-593 of the
14 general statutes;

15 (5) "Pharmacy" means an establishment licensed pursuant to section
16 20-594 of the general statutes; and

17 (6) "Wholesaler" means a wholesaler, as defined in section 21a-240
18 of the general statutes, of a controlled substance to be sold in this state,
19 and includes, but is not limited to, a wholesaler of a controlled
20 substance that is licensed in accordance with section 21a-246 of the
21 general statutes.

22 (b) There shall be paid to the Commissioner of Revenue Services by
23 each manufacturer or wholesaler of a controlled substance a tax at a
24 rate of six and thirty-five-hundredths per cent on its gross receipts for
25 any controlled substance lawfully sold on or after January 1, 2016, to
26 any of the following-named persons located in this state: (1) A
27 pharmacist or pharmacy; (2) a physician, dentist or veterinarian; (3) a
28 person in charge of a hospital, incorporated college or scientific
29 institution; (4) a person in charge of a laboratory; or (5) a registrant, as
30 defined in subdivision (47) of section 21a-240 of the general statutes,
31 who is permitted to purchase and possess such controlled substance
32 under federal and state laws and regulations. Such manufacturer or
33 wholesaler may itemize and collect the amount of such tax on any sale
34 to a person described in subdivisions (1) to (5), inclusive, of this
35 subsection. Any person described in subdivisions (1) to (5), inclusive,
36 of this subsection who dispenses such controlled substance within this
37 state to a beneficiary of the Medicare Part D program as a covered
38 benefit under the Medicare Part D program, or to a beneficiary of any
39 other program under which such controlled substance is a covered
40 benefit that is exempt from taxation, may claim a refund of the amount
41 of such tax with respect to such beneficiary in accordance with section
42 2 of this act.

43 (c) Each manufacturer or wholesaler of controlled substances that
44 lawfully sells such controlled substances to any of the persons
45 described in subsection (b) of this section shall register with the
46 Commissioner of Revenue Services not later than January 1, 2016, on
47 forms prescribed by the commissioner and each registered
48 manufacturer or wholesaler shall renew its registration with the
49 commissioner annually, in such manner as the commissioner may

50 prescribe. No manufacturer or wholesaler may engage in or transact
51 business as a manufacturer or wholesaler of controlled substances to
52 be sold in this state unless such manufacturer or wholesaler is
53 registered with the commissioner in accordance with the provisions of
54 this section. Any manufacturer or wholesaler that fails to register or
55 renew such registration in accordance with the provisions of this
56 subsection shall pay a penalty of one thousand dollars for each such
57 failure, which penalty shall not be subject to waiver.

58 (d) Each manufacturer and wholesaler shall submit a return
59 quarterly to the Commissioner of Revenue Services, applicable with
60 respect to the calendar quarter beginning January 1, 2016, and each
61 calendar quarter thereafter, on or before the last day of the month
62 immediately following the end of each such calendar quarter, on a
63 form prescribed by the commissioner, together with payment of the
64 quarterly tax determined and payable in accordance with the
65 provisions of this section. Whenever such tax is not paid when due, a
66 penalty of ten per cent of the amount due or fifty dollars, whichever is
67 greater, shall be imposed, and such tax shall bear interest at the rate of
68 one per cent per month or fraction thereof until the same is paid. The
69 Commissioner of Revenue Services shall cause copies of a form
70 prescribed for submitting returns as required under this section to be
71 distributed to persons subject to the tax. Failure to receive such form
72 shall not be construed to relieve any manufacturer or wholesaler
73 subject to the tax under this section from the obligations of submitting
74 a return, together with payment of such tax within the time required.
75 The provisions of sections 12-548 to 12-554, inclusive, of the general
76 statutes and sections 12-555a and 12-555b of the general statutes shall
77 apply to the provisions of this section in the same manner and with the
78 same force and effect as if the language of said sections 12-548 to 12-
79 554, inclusive, and sections 12-555a and 12-555b had been incorporated
80 in full into this section and had expressly referred to the tax imposed
81 under this section, except to the extent that any such provision is
82 inconsistent with a provision of this section. Any moneys received by
83 the commissioner pursuant to this section shall be deposited into the

84 opioid abuse prevention and treatment account established in section 3
85 of this act.

86 (e) The Commissioner of Revenue Services shall notify the
87 Commissioner of Consumer Protection whenever a manufacturer or
88 wholesaler licensed pursuant to section 21a-246 of the general statutes
89 has continuously failed to comply with the requirements of this section
90 for a period of at least six months. The Commissioner of Consumer
91 Protection may suspend, revoke or refuse to renew the license of a
92 manufacturer or wholesaler who has continuously failed to comply
93 with the requirements of this section for a period of six months or
94 longer. The Commissioner of Revenue Services shall notify the
95 licensing authority of any other state where a manufacturer or
96 wholesaler is licensed whenever such manufacturer or wholesaler has
97 continuously failed to comply with the requirements of this section for
98 a period of at least six months.

99 (f) Nothing in this section shall exempt any person from the tax
100 imposed pursuant to chapter 228d of the general statutes with respect
101 to marijuana or other controlled substance, as those terms are defined
102 in section 12-650 of the general statutes.

103 Sec. 2. (NEW) (*Effective January 1, 2016*) (a) Any person claiming a
104 refund pursuant to subsection (b) of section 1 of this act shall file such
105 claim in accordance with this section. Each claim for refund shall be on
106 a form prescribed by the Commissioner of Revenue Services and shall
107 be accompanied by invoices or sales receipts or other statements of
108 fact, under penalty of false statement, showing, to the satisfaction of
109 the commissioner, the amount paid with respect to such refund, and
110 any other information that is deemed necessary by the commissioner
111 for the determination of such claim. Any claim for a refund with
112 respect to a controlled substance sold by such person during any
113 calendar year shall be filed with the commissioner on or before May
114 thirty-first of the succeeding year.

115 (b) (1) The commissioner shall, not later than ninety days after

116 receipt of any claim under this section, transmit all claims approved by
117 the commissioner to the Comptroller, who shall draw an order upon
118 the State Treasurer for payment. If the commissioner determines that
119 any such claim is not valid, either in whole or in part, the
120 commissioner shall mail notice of the proposed disallowance to the
121 claimant and such notice shall set forth briefly the commissioner's
122 findings of fact and the basis of disallowance in each case decided in
123 whole or in part adversely to the claimant. Sixty days after the date on
124 which it is mailed, a notice of proposed disallowance shall constitute a
125 final disallowance except only for such amounts as to which the
126 claimant has filed, as provided in subdivision (2) of this subsection, a
127 written protest with the commissioner.

128 (2) On or before the sixtieth day after the mailing of the proposed
129 disallowance, the claimant may file with the commissioner a written
130 protest against the proposed disallowance in which the claimant sets
131 forth the grounds on which the protest is based. If a protest is filed, the
132 commissioner shall reconsider the proposed disallowance and, if the
133 claimant has so requested, may grant or deny the claimant or the
134 claimant's authorized representatives an oral hearing.

135 (3) The commissioner shall mail notice of the commissioner's
136 determination to the claimant, which notice shall set forth briefly the
137 commissioner's findings of fact and the basis of decision in each case
138 decided in whole or in part adversely to the claimant.

139 (4) The action of the commissioner on the claimant's protest shall be
140 final upon the expiration of one month from the date on which the
141 commissioner mails notice of the commissioner's action to the claimant
142 unless within such period the claimant seeks judicial review of the
143 commissioner's determination in the manner provided for distributors
144 pursuant to section 12-463 of the general statutes.

145 Sec. 3. (NEW) (*Effective January 1, 2016*) There is established an
146 opioid abuse prevention and treatment account which shall be a
147 separate, nonlapsing account within the General Fund. The account

148 shall contain the amount of any taxes collected pursuant to section 1 of
149 this act and any other moneys required by law to be deposited in the
150 account. Amounts in the account shall be expended only for the
151 purpose of providing funds to the Department of Mental Health and
152 Addiction Services to provide grants-in-aid for regional opioid abuse
153 prevention and treatment programs pursuant to section 5 of this act.

154 Sec. 4. Subsection (d) of section 17a-450 of the general statutes is
155 repealed and the following is substituted in lieu thereof (*Effective*
156 *January 1, 2016*):

157 (d) The Department of Mental Health and Addiction Services is
158 designated as the lead state agency for substance abuse prevention and
159 treatment in this state, and as such is designated as the state
160 methadone authority. As the designated state methadone authority,
161 the department is authorized by the federal Center for Substance
162 Abuse Treatment of the Substance Abuse and Mental Health Services
163 Administration within the United States Department of Health and
164 Human Services to exercise responsibility and authority for the
165 treatment of opiate addiction with an opioid medication, and
166 specifically for: (1) Approval of exceptions to federal opioid treatment
167 protocols in accordance with the Center for Substance Abuse
168 Treatment, (2) monitoring all opioid treatment programs in the state,
169 (3) providing grants-in-aid to regional opioid abuse prevention and
170 treatment programs that follow state and federal treatment protocols
171 in accordance with section 5 of this act, and [(3)] (4) approval of Center
172 for Substance Abuse Treatment certification of all opioid treatment
173 programs in the state. The Commissioner of Mental Health and
174 Addiction Services may adopt regulations in accordance with chapter
175 54 to carry out the provisions of this subsection.

176 Sec. 5. (NEW) (*Effective January 1, 2016*) (a) The Commissioner of
177 Mental Health and Addiction Services shall provide grants-in-aid,
178 within available resources, to one or more regional opioid abuse
179 prevention and treatment programs in each mental health region
180 established pursuant to section 17a-478 of the general statutes. The

181 commissioner shall provide such grants-in-aid to programs that follow
 182 state and federal treatment protocols and shall allocate such grants-in-
 183 aid on the basis of regional need and demand for services. Each
 184 program that receives a grant-in-aid pursuant to this section shall
 185 provide services in a manner that reduces the stigma associated with
 186 opioid abuse prevention and treatment and minimizes client contact
 187 with the criminal justice system.

188 (b) Not later than January 31, 2017, the commissioner shall submit a
 189 report to the joint standing committees of the General Assembly
 190 having cognizance of matters relating to public health and finance,
 191 revenue and bonding concerning the grants-in-aid awarded during the
 192 calendar year commencing January 1, 2016. The report shall indicate
 193 the amount of the grants-in-aid awarded, the recipients of the grants-
 194 in-aid, any amounts remaining in the opioid abuse prevention and
 195 treatment account established pursuant to section 3 of this act that
 196 were not allocated as of December 31, 2016, and the commissioner's
 197 recommendations, if any, for amendments to the general statutes
 198 regarding the grants-in-aid program or regional opioid abuse
 199 prevention and treatment programs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2016</i>	New section
Sec. 2	<i>January 1, 2016</i>	New section
Sec. 3	<i>January 1, 2016</i>	New section
Sec. 4	<i>January 1, 2016</i>	17a-450(d)
Sec. 5	<i>January 1, 2016</i>	New section

FIN *Joint Favorable Subst.*