

1 HOUSE RESOLUTION

2 WHEREAS, The General Assembly sought to enhance care for
3 seniors and disabled persons in nursing homes by enacting the
4 Tobacco Products Tax Act of 1995, imposing a tax on
5 distributors of various tobacco products other than
6 cigarettes, such as cigars and chewing tobacco; and

7 WHEREAS, The constitutionality of the Tobacco Products
8 Act of 1995 has been litigated since the enactment of that
9 1995 Act by Arangold Corporation, an Illinois corporation
10 doing business as a wholesale tobacco distributor subject to
11 the tax; and

12 WHEREAS, The constitutionality of the tax has been upheld
13 by every court, most recently by the First District Appellate
14 Court on April 12, 2002 in the case of Arangold Corporation
15 v. Department of Revenue et al; and

16 WHEREAS, The Arangold Corporation has sought leave to
17 appeal before the Illinois Supreme Court and that petition is
18 now pending; and

19 WHEREAS, The State of Illinois is experiencing a severe
20 budget shortfall due to a national economic downturn and
21 factors related to the tragic events of September 11, 2001,
22 which may result in 8.8% reductions in payments to nursing
23 homes in the fiscal year 2003 budget, totaling \$171 million;
24 and

25 WHEREAS, An escrow fund was established for the
26 collection of the tobacco products tax with respect to the
27 Tobacco Products Tax Act litigation, and that escrow fund now
28 has more than \$70 million on deposit, which, if the funds are
29 now released and matched with federal Medicaid funds, would
30 result in an additional \$140 million for payments to nursing
31 homes in fiscal year 2003; therefore, be it

1 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
2 NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
3 we urge Attorney General Jim Ryan to file an emergency motion
4 or petition before the Illinois Supreme Court to (a) expedite
5 consideration of the pending petition for leave to appeal, or
6 (b) to seek the immediate release of the moneys held in
7 escrow so that adequate funding for nursing home care for
8 seniors and the disabled can be accomplished in the fiscal
9 year 2003 budget, or both; and be it further

10 RESOLVED, That a suitable copy of this resolution be
11 presented to Attorney General Jim Ryan.