

MAINE STATE LEGISLATURE

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N I N E T Y - S E V E N T H L E G I S L A T U R E

Legislative Document

No. 1167

H. P. 1015

House of Representatives, March 2, 1955

Referred to the Committee on Taxation, sent up for concurrence and 750 copies ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Elwell of Brooks.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-FIVE

AN ACT Creating a State School Building Fund and Providing Moneys Therefor.

Be it enacted by the People of the State of Maine, as follows :

Sec. 1. R. S., c. 41, §§ 242-A - 242-C, additional. Chapter 41 of the revised statutes is hereby amended by adding thereto 3 new sections to be numbered 242-A to 242-C, to read as follows :

'State School Building Fund.

Sec. 242-A. State school building fund. There shall be created a special assessment fund to aid the several municipalities in school construction to be known as the State School Building Fund. There shall be annually appropriated from the general fund an amount equal to 10% of the 100% allocation for general-purpose aid for this special assessment fund. The annual appropriation shall never be less than the average net revenue collected during the 2 previous fiscal years for the cigar and tobacco tax.

In August of each fiscal year, the Commissioner of Education shall determine the amount of the State School Building Fund and shall apportion and allocate same among the several municipalities using 10% of the allocations made to them for general-purpose education aid in section 237. The Commissioner shall notify the Treasurer of State, the chief municipal officers and the Superintendent of Schools in the several municipalities in September of the amount allocated to each municipality from said fund and the voters shall have a period of 10 months after the receipt of such notice in which to accept and raise the required matching

funds for said allocation in accordance with the provisions of sections 242-A to 242-C, inclusive. The Treasurer of State shall keep the several allocations in trust until the notice of compliance and application for payment is received from the municipality and approved by the Commissioner of Education. If any municipality fails to match its allocation for any given fiscal year, such allocation shall be added to and become part of the available fund for the next fiscal year.

Sec. 242-B. Method of allocation. The 100% allocation, under section 237, shall be multiplied by 10% to give the State School Building Fund allotment for each year of the biennium. The matching fund required of the municipality shall be determined by dividing the above product by the minimum percentage used for general-purpose aid under section 237 and subtracting from this quotient the State allotment.

Sec. 242-C. Joint school funds, use of. Approval of school building projects shall be by the municipal voters in accordance with the provisions of section 14.

Warrants listing expenditures of these funds shall first be approved by a majority of the school committee.

When allocation has been paid to the municipality, that amount plus the amount raised to match same, under the foregoing formula, shall be placed in a separate account known as The Joint School Building Fund. Joint School Building Funds shall be expended only for the following purposes: the cost of acquisition of all land, rights of way, property, rights, easements and interests for any school building, as well as the cost of all furnishings and equipment, financing charges, architectural and legal expenses, plans, specifications, estimates of cost, administrative expense and such other expenses as may be considered reasonably necessary or incident to the construction or acquisition of a school building. For the purposes of sections 242-A to 242-C, inclusive, "school building" shall mean, but shall not be limited to, any structure used or useful for schools and playgrounds, including facilities for physical education.

Joint School Building Funds may also be expended to pay the principal and interest of any bonds or notes or other evidences of indebtedness issued prior to the effective date of sections 242-A to 242-C, inclusive, for the construction of any school building in that municipality or to pay the share of the principal or interest on any bonds, notes or other evidences of indebtedness issued prior to the effective date of sections 242-A to 242-C, inclusive, to help finance the cost of constructing a school building in any school district or community school district which is located in whole or in part in the receiving municipality.

If the project is abandoned and the money in said Joint School Building Fund is not expended as otherwise provided herein, the State's proportional total amount allocated to the municipality remaining in said fund, shall be withdrawn and returned to the Treasurer of State who shall credit same to the State School Building Fund. Financial data on the Joint Fund shall be included in the annual school financial report to the Commissioner of Education by superintendents of schools.

Joint School Building Funds, if invested, shall be invested in accordance with the provisions of sections 164 of chapter 91.⁷

Sec. 2. R. S., c. 16, §§ 200-221, amended. Sections 200 to 204, inclusive, as amended by chapter 429 of the public laws of 1953, section 205, as amended by chapter 429 of the public laws of 1953 and by section 1 of chapter 1 of the public laws of 1955, and sections 205 to 221, inclusive, as amended by chapter 429 of the public laws of 1953, of chapter 16 of the revised statutes are hereby further amended to read as follows:

'Cigarette, Cigar and Tobacco Products Tax.

Sec. 200. Definitions. Whenever used in sections 200 to 221, inclusive, unless the context shall otherwise require, the following words and phrases shall have the following meanings:

“Dealer” shall mean any person other than a distributor, as defined herein, who is engaged in this State in the business of selling cigarettes, **cigars and tobacco products**;

“Distributor” shall mean any person engaged in this State in the business of producing or manufacturing cigarettes, **cigars and tobacco products** or importing into the State cigarettes, **cigars and tobacco products** at least 75% of which are purchased directly from the manufacturers thereof;

“Licensed dealer” shall mean a dealer licensed under the provisions of said sections;

“Licensed distributor” shall mean a distributor licensed under the provisions of sections 200 to 221, inclusive;

“Person” shall mean any individual, firm, fiduciary, partnership, corporation, trust or association, however formed;

“Sale” or “sell” shall include or apply to gifts, exchanges and barter;

“Sub-jobber” shall mean a wholesale dealer who does not qualify as a distributor;

“Tax Assessor” or “Assessor” shall mean the State Tax Assessor;

“Tobacco products” shall include perique, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, the refuse of fine-cut chewing, 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 to be made into cigarettes or otherwise, or both for chewing and smoking, and substitutes therefor;

“Unclassified importer” shall mean any person, firm, corporation or association within the State, other than a licensed distributor, sub-jobber or dealer as defined, who shall import, receive or acquire from without the State, cigarettes, **cigars and tobacco products** for use or consumption within the State.

'Sec. 201. Dealers, unclassified importers and distributors to be licensed. Each person engaging in the business of selling cigarettes, **cigars and tobacco products** in this State, including any distributor or dealer, shall secure a license

from the Tax Assessor before engaging in such business. A separate application and license shall be required for each wholesale outlet and for each retail outlet when a person shall own or control more than 1 place of business dealing in cigarettes, **cigars and tobacco products**. Each vending machine shall be considered a retail outlet. Such license shall be issued on forms prescribed by the Assessor, and shall contain the name and address of the applicant, the address of the place of business and such other information as the Assessor may require for the proper administration of the provisions of sections 200 to 221, inclusive. Each application for a wholesale outlet license shall be accompanied by a fee of \$25 and each such application for a retail outlet license shall be accompanied by a fee of \$1. Each application for a sub-jobber's license, to be known as a "wholesale dealer's license," shall be accompanied by a fee of \$10. Each license so issued shall be prominently displayed on the premises covered by the license and in the case of vending machines there shall be attached to the same a disc or marker to be furnished by the Assessor showing it to have been licensed. Each unclassified importer shall, before importing, receiving or acquiring cigarettes, **cigars and tobacco products** from without the State, secure a license from the Tax Assessor. There shall be no charge for a license issued to an unclassified importer. Any person who shall sell, offer for sale or possess with intent to sell any cigarettes, **cigars and tobacco products**, without a license as provided in this section, shall be punished by a fine of not more than \$25 for the 1st offense and not less than \$25, nor more than \$200, for each subsequent offense. Any unclassified importer who shall import, receive or acquire from without the State cigarettes, **cigars and tobacco products** for use or consumption within the State without a license as provided in this section shall be punished by a fine of not more than \$25 for the 1st offense and not less than \$25, nor more than \$200, for each subsequent offense.

Sec. 202. Validity of license. Each distributor's license issued under the provisions of section 201 shall expire on the 31st day of July next succeeding the date of issuance unless sooner revoked by the Assessor as provided in section 203, or unless the business with respect to which such license was issued shall be transferred, in either of which cases the holder of the license shall immediately return it to the Assessor. In the event that the holder of a license shall remove his business to another location within the State, the license with respect to the former place of business shall be reissued for the new location without the payment of an additional fee for the unexpired term. The holder of each distributor's license on application to the Assessor, accompanied by the fee prescribed in section 201, may annually before the expiration date of the license then held by him renew his license for a further period of 1 year.

Each wholesale dealer's license issued shall be for the period ending the 31st day of July next succeeding the date of issuance. Such license may be revoked for cause at any time pursuant to the provisions of section 203 and, if the business of said licensee shall be transferred, the license of such person shall thereupon become void. All revoked and void licenses shall be returned forthwith to the Assessor.

Each retail dealer's license issued shall be good indefinitely, unless revoked as provided for in section 203, or unless there is a change in ownership of the

business for which the license was issued. Each disc or marker required to be affixed to each vending machine, as provided for in section 201, shall be considered a retail dealer's license. In the event that the holder of a retail dealer's license or a wholesale dealer's license shall remove his business to another location within the state, the license with respect to the former place of business shall be reissued for the new location without the payment of an additional fee. In the event of mutilation, loss or destruction of such retail dealer's license, wholesale dealer's license or vending machine disc or marker, a duplicate copy, marked as such, will be issued by the Assessor upon application accompanied by a fee of \$1.

Each unclassified importer's license shall expire on the 31st day of July next succeeding the date of issuance unless sooner revoked by the Tax Assessor. The holder of each unclassified importer's license, on application to the Assessor, may annually before the expiration date of his license renew the license for a further period of 1 year.

Sec. 203. Revocation of license. The Assessor may revoke or suspend the license of any dealer, unclassified importer or distributor for failure to comply with any provisions of sections 200 to 221, inclusive, or if the person licensed has ceased to act in the capacity for which the license was issued. Any person aggrieved by such revocation or suspension may apply to the Assessor for a hearing as provided in section 216, and may further appeal to the courts as provided in section 217.

Sec. 204. Tax imposed. A tax is imposed on all cigarettes, **cigars and tobacco products** held in this State by any person for sale, said tax to be at the rate of 2 mills for each cigarette **and at the rate of 20% upon the value of all cigars and tobacco products sold at retail, measured by the usual selling price,** and the payment thereof to be evidenced by the affixing of stamps to the packages containing the cigarettes, **cigars and tobacco products**, as hereinafter provided. Any cigarette, **cigar or tobacco product** on which a tax has been paid, such payment being evidenced by the affixing of such stamp, shall not be subject to a further tax under the provisions of sections 200 to 221, inclusive. Nothing contained in said sections shall be construed to impose a tax on any transaction, the taxation of which by this State is prohibited by the Constitution of the United States.

Each unclassified importer shall, within 24 hours after receipt of any unstamped cigarettes, **cigars and tobacco products** in this State, notify the Tax Assessor of the number of cigarettes, **cigars and tobacco products** received, and the name and address of consignor. The Tax Assessor thereupon shall notify the unclassified importer of the amount of the tax due thereon, which shall be at the rate of 2 mills per cigarette **and at the rate of 20% of the retail value of all cigars and tobacco products.** Payment of the amount due the State shall be made within 10 days from mailing date of notice thereof.

Sec. 205. Assessor to provide stamps. The Tax Assessor shall secure stamps, of such design and denomination as he shall prescribe, suitable to be affixed to packages of cigarettes, **cigars and tobacco products** as evidence of the payment of the tax imposed by the provisions of sections 200 to 221, inclusive. To licensed distributors he shall sell such cigarette stamps at a discount of 4%

of their face value and stamps for cigars and tobacco products at a discount of 7% of their face value. To licensed dealers he shall sell all stamps at face value. The face value of the stamps when affixed shall be considered as part of the cost of the merchandise. The Assessor may, in his discretion, permit a licensed distributor or licensed dealer to pay for such stamps within 30 days after the date of purchase, provided a bond satisfactory to the Assessor in an amount not less than the sale price of such stamps shall have been filed with the Assessor conditioned upon payment for such stamps. He shall keep accurate records of all stamps sold to each distributor and dealer and shall pay over all receipts from the sale of stamps to the Treasurer of State daily.

Sec. 206. Dealers and distributors not to resell stamps; redemption. No distributor or dealer shall sell or transfer any stamps issued under the provisions of sections 200 to 221, inclusive. The Assessor shall redeem any unused, uncanceled stamps presented by any licensed distributor or dealer, at a price equal to the amount paid therefor by such dealer or distributor and the said Assessor may, upon proof satisfactory to him and in accordance with regulations promulgated by him, redeem, at a price equal to the amount paid therefor, Maine cigarette or tobacco tax stamps affixed to packages of cigarettes, cigars and tobacco products which have become unfit for use and consumption, or unsalable, and the Treasurer of State shall provide, out of money collected hereunder, the funds necessary for such redemption.

Sec. 207. Distributors to affix stamps. Each distributor shall affix, or cause to be affixed, in such manner as the Assessor may specify in regulations issued pursuant to the provisions of sections 200 to 221, inclusive, to each individual package of cigarettes, cigars and tobacco products sold or distributed by him, stamps of the proper denominations, as required by section 204. Such stamps may be affixed by a distributor at any time before the cigarettes, cigars or tobacco products are transferred out of his possession.

Sec. 208. Dealers to affix stamps. Each dealer shall, within 72 hours after coming into possession of any cigarettes, cigars and tobacco products not bearing proper stamps evidencing payment of the tax imposed by sections 200 to 221, inclusive, and before selling such cigarettes, cigars and tobacco products, affix or cause to be affixed, in such manner as the Assessor may specify in regulations issued pursuant to the provisions of said sections, to each individual package of cigarettes, cigars and tobacco products, stamps of the proper denomination as required by section 204.

Sec. 209. Sale of unstamped cigarettes, cigars and tobacco products prohibited. No distributor shall sell, and no other person shall sell, offer for sale, display for sale or possess with intent to sell, any cigarettes, cigars and tobacco products which do not bear stamps evidencing the payment of the tax imposed by sections 200 to 221, inclusive, provided a licensed dealer may keep on hand unstamped cigarettes, cigars and tobacco products for a period not exceeding 72 hours. Any unstamped cigarettes, cigars and tobacco products in the possession of a dealer shall be presumed to have been held by him for more than 72 hours unless proof be shown to the contrary. Any person who shall violate any provision of this section shall be punished by a fine of not more than \$100 for the 1st offense and, for each subsequent offense, shall be punished by a fine of not less

than \$200, nor more than \$1,000, or by imprisonment for not more than 6 months, or by both such fine and imprisonment.

Sec. 210. Possession of unstamped cigarettes, cigars and tobacco products prima facie evidence. The possession by any person, other than a licensed distributor or licensed dealer of cigarettes, **cigars or tobacco products** which do not bear stamps, shall be prima facie evidence that the cigarettes, **cigars or tobacco products** have been imported and that they are intended for use or consumption within the State.

Sec. 211. Unstamped cigarettes, cigars and tobacco products subject to confiscation. Any cigarettes, **cigars and tobacco products** found at any place in this State without stamps affixed thereto as required by sections 200 to 221, inclusive, unless such cigarettes, **cigars and tobacco products** shall be in the possession of a licensed distributor, or unless they shall be in course of transit from without this State and consigned to a licensed distributor or licensed dealer, or unless they shall have been received by a licensed dealer within 72 hours, or unless they shall have been imported, received or acquired within 24 hours by a licensed unclassified importer who has notified the Tax Assessor as provided in section 204, are declared to be contraband goods and are subject to forfeiture to the State; and sheriffs, deputy sheriffs, police officers and duly authorized agents of the said Assessor shall have the power to seize the same with or without process. In case such cigarettes, **cigars and tobacco products** are seized without a warrant, they shall be kept in some safe place for a reasonable time until a warrant can be procured. When such cigarettes, **cigars and tobacco products** are seized as provided herein, the officer or agent seizing them shall immediately file with the magistrate before whom such warrant is returnable, a libel against such cigarettes, **cigars and tobacco products** setting forth the seizure and describing the cigarettes, **cigars and tobacco products**, their containers and the place of seizure in sufficient manner to reasonably identify them, and that they were kept or intended for unlawful sale or use in violation of law and pray for a decree of forfeiture thereof; and such magistrate shall fix a time for the hearing of such libel and shall issue his monition and notice of the same to all persons interested, citing them to appear at the time and place appointed to show cause why such cigarettes, **cigars and tobacco products** and their containers should not be declared forfeited, by causing true and attested copies of said libel and monition to be posted in 2 public and conspicuous places in the town or place where such cigarettes, **cigars and tobacco products** were seized, 10 days at least before said libel is returnable; provided, however, that in lieu of forfeiture proceedings, title to such seized, unstamped cigarettes, **cigars and tobacco products** may be transferred to the State of Maine by the owner thereof. If title to and ownership in such cigarettes, **cigars and tobacco products** is transferred to the State, a receipt for the cigarettes, **cigars and tobacco products** shall be given to the former owner by the State Tax Assessor or his authorized agent.

Sec. 212. Forfeiture proceedings. If no claimant appears, such magistrate shall, on proof of notice as aforesaid, declare the same to be forfeited to the state. If any person appears and claims such cigarettes, **cigars and tobacco products**, or any part thereof, as having a right to the possession thereof at the time when the same were seized, he shall file with the magistrate such claim in writing, stating specifically the right so claimed, the foundation thereof, the items so claimed, the time and place of the seizure and the name of the officer

or duly authorized agent of the said Assessor by whom the same were seized, and in it declare that they were not so kept or deposited for unlawful sale and use as alleged in said libel and monition, and also state his business and place of residence and shall sign and make oath to the same before said magistrate. If any person so makes claim, he shall be admitted as a party to the process; and the magistrate shall proceed to determine the truth of the allegations in said claim and libel, and may hear any pertinent evidence offered by the libelant or claimant. If the magistrate is, upon hearing, satisfied that said cigarettes, **cigars and tobacco products** were not so kept or deposited for unlawful sale or use, and that the claimant is entitled to the custody of any part thereof, he shall give him an order in writing, directed to the officer or duly authorized agent of the said Assessor having the same in custody, commanding him to deliver to said claimant the cigarettes, **cigars and tobacco products** to which he is so found to be entitled, within 48 hours after demand. If the magistrate finds the claimant entitled to no part of said cigarettes, **cigars and tobacco products**, he shall render judgment against him for the libelant for costs, to be taxed as in civil cases before such magistrate, and issue execution thereon, and shall declare said cigarettes, **cigars and tobacco products** forfeited to the State. The claimants may appeal and shall recognize with sureties as on appeals in civil causes from a magistrate. All cigarettes, **cigars and tobacco products** declared forfeited to the State, or title to which has been transferred to the State in lieu of forfeiture proceedings, shall be sold by the Treasurer of State at the approximate wholesale price thereof, and the funds derived from such sales shall be paid into the State Treasury.

Sec. 213. Fraudulent stamps. Any person who shall fraudulently make or utter or shall forge or counterfeit any stamp prescribed by the Tax Assessor under the provisions of sections 200 to 221, inclusive, or who shall cause or procure the same to be done, or who shall willfully utter, publish, pass or render as true, any false, altered, forged or counterfeited stamp, or who shall knowingly possess any such false, altered, forged or counterfeited stamp, or who shall use more than once any stamp provided for and required by said sections, for the purpose of evading the tax imposed by said sections, shall be deemed guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than 1 year, nor more than 2 years, or by a fine of not less than \$500, nor more than \$1000, or by both such imprisonment and fine.

Sec. 214. Taxpayers to keep records; Assessor may examine. Each distributor and each dealer shall keep complete and accurate records of all cigarettes, **cigars and tobacco products** manufactured, produced, purchased and sold. Such records shall be of such kind and in such form as the Tax Assessor may prescribe and shall be safely preserved for 2 years in such manner as to insure permanency and accessibility for inspection by the Assessor and his authorized agents. The Assessor and his authorized agents may examine the books, papers and records of any distributor or dealer in this State for the purpose of determining whether the tax imposed by sections 200 to 221, inclusive, has been fully paid, and may investigate and examine the stock of cigarettes, **cigars and tobacco products** in or upon any premises where such cigarettes, **cigars and tobacco products** are possessed, stored or sold for the purpose of determining whether the provisions of said sections are being obeyed.

Sec. 215. Oaths and subpoenas. The Assessor and any agent of the Assessor duly authorized to conduct any inquiry, investigation or hearing hereunder shall have power to administer oaths and take testimony under oath relative to the matter of inquiry or investigation. At any hearing ordered by the Assessor, the Assessor or his agent authorized to conduct such hearing and having authority by law to issue such process may subpoena witnesses and require the production of books, papers and documents pertinent to such inquiry. If any person shall disobey such process or, having appeared in obedience thereto, shall refuse to answer any pertinent question put to him by the Assessor or his authorized agent or to produce any books and papers pursuant thereto, the Assessor or such agent may apply to the Superior Court of the county wherein the taxpayer resides or wherein the business has been conducted, or to any justice of said court if the same shall not be in session, setting forth such disobedience to process or refusal to answer, and said court or said justice shall cite such person to appear before said court or such justice to answer such question or to produce such books and papers, and, upon his refusal to do so, may commit him to jail until he shall testify, but not for a longer period than 60 days. Notwithstanding the serving of the term of such commitment by any person, the Assessor may proceed in all respects with such inquiry and examination as if the witness had not previously been called upon to testify. Officers who serve subpoenas issued by the Assessor or under his authority and witnesses attending hearing conducted by him hereunder shall receive fees and compensation at the same rates as officers and witnesses in the courts of this State, to be paid on vouchers of the Assessor on warrant of the Controller from the proper appropriation for the administration of the provisions of sections 200 to 221, inclusive.

Sec. 216. Hearings by Assessor. Any person aggrieved by any action under the provisions of sections 200 to 221, inclusive, of the Assessor or his authorized agent for which hearing is not elsewhere provided may apply to the Assessor, in writing, within 10 days after the notice of such action is delivered or mailed to him, for a hearing, setting forth the reasons why such hearing should be granted and the manner of relief sought. The Assessor shall promptly consider each such application and may grant or deny the hearing requested. If the hearing be denied, the applicant shall be notified thereof forthwith; if it be granted, the Assessor shall notify the applicant of the time and place fixed for such hearing. After such hearing, the Assessor may make such order in the premises as may appear to him just and lawful and shall furnish a copy of such order to the applicant. The Assessor may, by notice in writing, at any time, order a hearing on his own initiative and require the taxpayer or any other individual whom he believes to be in possession of information concerning any manufacture, importation or sale of cigarettes, cigars and tobacco products which have escaped taxation to appear before him or his duly authorized agent with any specific books of account, papers or other documents for examination relative thereto.

Sec. 217. Appeals from decisions of Assessor. Any person aggrieved because of any action or decision of the Assessor under the provisions of sections 200 to 221, inclusive, may appeal therefrom within 20 days to the Superior Court. Not less than 14 days before the sitting of said Superior Court, the appellant shall serve upon the State Tax Assessor or his duly authorized representative a copy of the said petition stating the reasons for the appeal and notifying the Tax

Assessor when the appeal is to be heard. Pending judgment of the court, the decision of the Tax Assessor shall remain in full force and effect.

Sec. 218. Administration by Assessor; rulings and regulations. The administration of the provisions of sections 200 to 221, inclusive, is vested in the State Tax Assessor. All forms necessary and proper for the enforcement of the provisions of said sections shall be prescribed and furnished by the Assessor. The Assessor shall appoint such agents, clerks, stenographers and other assistants as he may deem necessary for effecting the purpose of said sections, subject to the provisions of the personnel law. The Tax Assessor may prescribe regulations and rulings, not inconsistent with law, to carry into effect the provisions of said sections, which regulations and rulings, when reasonably designed to carry out the intent and purpose of said sections, shall be prima facie evidence of its proper interpretation. The Assessor shall, at least annually, and oftener in his discretion, publish for distribution all regulations prescribed hereunder and such rulings as appear to him to be of general interest.

Sec. 219. Use of metering machines. The Tax Assessor, if he shall determine that it is practicable to stamp by impression packages of cigarettes, **cigars and tobacco products** by means of a metering machine, may, in lieu of selling stamps under the provisions of section 205, authorize any licensed distributor or licensed dealer to use any metering machine approved by him, such machine to be sealed by the Assessor before being used in accordance with regulations prescribed by him. Any licensed distributor or licensed dealer authorized by the Tax Assessor to affix stamps to packages by means of a metering machine shall file with the Assessor a bond issued by a surety company licensed to do business in this state, in such amount as the Tax Assessor may fix, conditioned upon the payment of the tax upon cigarettes, **cigars and tobacco products** so stamped. The bond shall be in full force and effect for a period of 1 year and a day after the expiration of the bond, unless a certificate be issued by the Tax Assessor to the effect that all taxes due to the state have been paid. In the discretion of the Tax Assessor, cash may be accepted in lieu of a surety bond, such cash to be paid over by the Tax Assessor to the Treasurer of State, who may deposit or hold the same subject to further order of the Tax Assessor. The Tax Assessor shall cause each metering machine approved by him to be read and inspected at least once a month and shall determine as of the time of each inspection the amount of tax due from the distributor or dealer using such machine after allowing for the discount, if any, provided for in section 205, which tax shall be due and payable upon demand of the Tax Assessor or his duly authorized agent.

Sec. 220. Tax credited to general fund. The revenue derived from the tax imposed by the provisions of sections 200 to 221, inclusive, shall be credited to the general fund of the State. **Provided, however, that there shall always be available for the State School Building Fund state moneys in an amount not less than the revenue derived from the tax on cigars and tobacco products.**

Sec. 221. Tax is levy on consumer. The liability for, or the incidence of, the tax on cigarettes, **cigars and tobacco products** is declared to be a levy on the consumer. The distributors shall add the amount of the tax on cigarettes, **cigars and tobacco products** presently levied to the price of the cigarettes, **cigars and to-**

bacco products and the distributor may state the amount of the taxes separately from the price of such cigarettes, **cigars and tobacco products** on all price display signs, sales or delivery slips, bills and statements which advertise or indicate the price of such cigarettes, **cigars and tobacco products**. The provisions of this section shall in no way affect the method of collection of such taxes on cigarettes, **cigars and tobacco products** as now provided by existing law.'

Sec. 3. R. S., c. 17, § 10, sub-§ X, repealed and replaced. Subsection X of section 10 of chapter 17 of the revised statutes as amended by chapter 429 of the public laws of 1953 is hereby repealed and the following enacted in place thereof:

'X. Cigars, tobacco and cigarettes. Sales of cigars, tobacco and cigarettes, subject to other taxes imposed by chapter 16.'