

Fund and Account Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor: Jerry W. Stevenson

LONG TITLE**General Description:**

This bill modifies provisions related to state funds.

Highlighted Provisions:

This bill:

- modifies the amount that the Division of Finance annually transfers from the Liquor Control Fund to the General Fund;
- changes the Opioid Litigation Proceeds Restricted Account from a restricted account to a permanent fund called the Opioid Litigation Proceeds Fund;
- provides for the investment of the Opioid Litigation Proceeds Fund's principal;
- authorizes spending from the Opioid Litigation Proceeds Fund only from earnings derived from the fund's principal and for specified purposes;
- establishes the State Treasurer Investment Management Account and provides for the account's uses and funding; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

- 26B-5-211 (Effective 07/01/25)**, as last amended by Laws of Utah 2024, Chapter 271
- 32B-2-301 (Effective 05/07/25)**, as last amended by Laws of Utah 2022, Chapter 447
- 51-7-2 (Effective 07/01/25)**, as last amended by Laws of Utah 2024, Chapters 418, 492 and 510
- 51-9-801 (Effective 07/01/25)**, as last amended by Laws of Utah 2023, Chapter 319

ENACTS:

- 67-4-20 (Effective 07/01/25)**, Utah Code Annotated 1953

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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **26B-5-211** is amended to read:

26B-5-211 (Effective 07/01/25). Administration of opioid litigation proceeds -- Requirements for governmental entities receiving opioid funds -- Reporting.

(1) As used in this section:

(a) "Fund" means the Opioid Litigation Proceeds Fund created in Section 51-9-801.

(b) "Office" means the Office of Substance Use and Mental Health within the department.

~~[(b)]~~ (c) "Opioid funds" means money received by the state or a political subdivision of the state as a result of any judgment, settlement, or compromise of claims pertaining to alleged violations of law related to the manufacture, marketing, distribution, or sale of opioids.

~~[(e) "Restricted account" means the Opioid Litigation Proceeds Restricted Account created in Section 51-9-801.]~~

(2) Opioid funds may not be used to:

(a) reimburse expenditures that were incurred before the opioid funds were received by the governmental entity; or

(b) supplant or take the place of any funds that would otherwise have been expended for that purpose.

(3) The office shall serve as the reporting entity to receive, compile, and submit any reports related to opioid funds that are required by law, contract, or other agreement.

(4) The requirement described in Subsection (5) applies to:

(a) a recipient of opioid funds from the ~~[restricted account]~~ fund, in any year that opioid funds are received; and

(b) a political subdivision that received opioid funds.

(5) A person described in Subsection (4) shall provide an annual report to the office, in a form and by a date established by the office, that includes:

(a) an accounting of all opioid funds that were received by the person in the year;

(b) the number of individuals served through programs funded by the opioid funds, including the individuals' age, gender, and other demographic factors reported in a de-identified manner;

(c) the measures that were used to determine whether the program funded by the opioid funds achieved the intended outcomes;

- 65 (d) if applicable, any information required to be submitted to the reporting entity under
66 applicable law, contract, or other agreement; and
- 67 (e) the percentage of total funds received by the person in the year that the person used
68 to promote the items under Subsections (6)(d)(i) through (vi).
- 69 (6) On or before October 1 of each year, the office shall provide a written report that
70 includes:
- 71 (a) the opening and closing balance of the [~~restricted-account~~] fund for the previous fiscal
72 year;
- 73 (b) the name of and amount received by each recipient of funds from the [~~restricted~~
74 ~~account~~] fund;
- 75 (c) a description of the intended use of each award, including the specific program,
76 service, or resource funded, population served, and measures that the recipient used
77 or will use to assess the impact of the award;
- 78 (d) the amount of funds expended to address each of the following items and the degree
79 to which the department administered the program or subcontracted with a private
80 entity:
- 81 (i) treatment services;
- 82 (ii) recovery support services;
- 83 (iii) prevention;
- 84 (iv) criminal justice;
- 85 (v) harm reduction; and
- 86 (vi) expanding any of the following services:
- 87 (A) housing;
- 88 (B) legal support;
- 89 (C) education; and
- 90 (D) job training;
- 91 (e) a description of any finding or concern as to whether all opioid funds disbursed from
92 the [~~restricted-account~~] fund violated the prohibitions in Subsection (2) and, if
93 applicable, complied with the requirements of a settlement agreement;
- 94 (f) the performance indicators and progress toward improving outcomes and reducing
95 mortality and other harms related to substance use disorders; and
- 96 (g) administrative costs including indirect rates and direct service costs.
- 97 (7) The office shall provide the information that is received, compiled, and submitted under
98 this section:

- 99 (a) to the Health and Human Services Interim Committee;
100 (b) to the Social Services Appropriations Subcommittee;
101 (c) if required under the terms of a settlement agreement under which opioid funds are
102 received, to the administrator of the settlement agreement in accordance with the
103 terms of the settlement agreement; and
104 (d) in a publicly accessible location on the department's website.

105 (8) The office may make rules in accordance with Title 63G, Chapter 3, Utah
106 Administrative Rulemaking Act, to implement this section.

107 Section 2. Section **32B-2-301** is amended to read:

108 **32B-2-301 (Effective 05/07/25). State property -- Liquor Control Fund -- Money**
109 **to be retained by department -- Department building process.**

110 (1) As used in this section, "base budget" means the same as that term is defined in
111 legislative rule.

112 (2) The following are property of the state:

113 (a) the money received in the administration of this title, except as otherwise provided;
114 and

115 (b) property acquired, administered, possessed, or received by the department.

116 (3)(a) There is created an enterprise fund known as the "Liquor Control Fund."

117 (b) Except as provided in Sections 32B-2-304, 32B-2-305, and 32B-2-306, the
118 department shall deposit the following into the Liquor Control Fund:

119 (i) money received in the administration of this title; and

120 (ii) money received from the markup described in Section 32B-2-304.

121 (c) The department may draw from the Liquor Control Fund only to the extent
122 appropriated by the Legislature or provided by statute.

123 (d) The net position of the Liquor Control Fund may not fall below zero.

124 (4)(a) Notwithstanding Subsection (3)(c), the department may draw by warrant from the
125 Liquor Control Fund without an appropriation for an expenditure that is directly
126 incurred by the department:

127 (i) to purchase an alcoholic product;

128 (ii) to transport an alcoholic product from the supplier to a warehouse of the
129 department; or

130 (iii) for variances related to an alcoholic product, including breakage or theft.

131 (b) If the balance of the Liquor Control Fund is not adequate to cover a warrant that the
132 department draws against the Liquor Control Fund, to the extent necessary to cover

- 133 the warrant, the cash resources of the General Fund may be used.
- 134 (5) The department's base budget shall include as an appropriation from the Liquor Control
135 Fund:
- 136 (a) credit card related fees paid by the department;
- 137 (b) package agency compensation;
- 138 (c) the department's costs of shipping and warehousing alcoholic products; and
- 139 (d) the amount needed, as the Division of Human Resource Management determines, to
140 make the median department salary in the previous fiscal year equal the median
141 market salary in the previous fiscal year for the following positions:
- 142 (i) state store manager or equivalent;
- 143 (ii) state store assistant manager or equivalent;
- 144 (iii) full-time sales clerk at a state store or equivalent;
- 145 (iv) part-time sales clerk at a state store or equivalent;
- 146 (v) department warehouse manager or equivalent;
- 147 (vi) department warehouse assistant manager or equivalent;
- 148 (vii) full-time department warehouse worker or equivalent; and
- 149 (viii) part-time department warehouse worker or equivalent.
- 150 (6)(a) The Division of Finance shall transfer annually from the Liquor Control Fund to
151 the General Fund a sum equal to the amount of net profit earned from the sale of
152 liquor since the preceding transfer of money under this Subsection (6), adjusted for
153 amounts needed for cash operations.
- 154 (b) After each fiscal year, the Division of Finance shall [~~calculate the amount for the~~
155 ~~transfer on or before September 1 and the Division of Finance shall make the transfer]~~
156 transfer the amount calculated under Subsection (6)(a) on or before September 30.
- 157 (c) The Division of Finance may make year-end closing entries in the Liquor Control
158 Fund to comply with Subsection 51-5-6(2).
- 159 (7)(a) By the end of each day, the department shall:
- 160 (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and
- 161 (ii) report the deposit to the state treasurer.
- 162 (b) A commissioner or department employee is not personally liable for a loss caused by
163 the default or failure of a qualified depository.
- 164 (c) Money deposited in a qualified depository is entitled to the same priority of payment
165 as other public funds of the state.
- 166 (8) Before the Division of Finance makes the transfer described in Subsection (6), the

167 department may retain each fiscal year from the Liquor Control Fund \$1,000,000 that
168 the department may use for:

- 169 (a) capital equipment purchases;
- 170 (b) salary increases for department employees;
- 171 (c) performance awards for department employees; or
- 172 (d) information technology enhancements because of changes or trends in technology.

173 Section 3. Section **51-7-2** is amended to read:

174 **51-7-2 (Effective 07/01/25). Exemptions from chapter.**

- 175 (1) Except as provided in Subsection (2), the following funds are exempt from this chapter:
- 176 (a) funds invested in accordance with the participating employees' designation or
177 direction pursuant to a public employees' deferred compensation plan established and
178 operated in compliance with Section 457 of the Internal Revenue Code of 1986, as
179 amended;
 - 180 (b) funds of the Utah State Retirement Board;
 - 181 (c) funds of the Utah Housing Corporation;
 - 182 (d) endowment funds of higher education institutions, including funds of the Higher
183 Education Student Success Endowment, created in Section 53B-7-802;
 - 184 (e) permanent and other land grant trust funds established pursuant to the Utah Enabling
185 Act and the Utah Constitution;
 - 186 (f) the State Post-Retirement Benefits Trust Fund;
 - 187 (g) the funds of the Utah Educational Savings Plan;
 - 188 (h) funds of the permanent state trust fund created by and operated under Utah
189 Constitution, Article XXII, Section 4;
 - 190 (i) the funds in the Navajo Trust Fund;
 - 191 (j) the funds in the Radioactive Waste Perpetual Care and Maintenance Account;
 - 192 (k) the funds in the Employers' Reinsurance Fund;
 - 193 (l) the funds in the Uninsured Employers' Fund;
 - 194 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in
195 Section 26B-1-331;
 - 196 (n) the funds in the Risk Management Fund created in Section 63A-4-201;
 - 197 (o) the Utah fund of funds created in Section 63N-6-401;
 - 198 (p) the funds deposited into the Utah Homes Investment Program from the
199 Transportation Infrastructure General Fund Support Subfund created in Section
200 72-2-134;[-and]

- 201 (q) subject to Subsection 67-4-19(2), the portion of the funds in the following accounts
 202 invested by the state treasurer in precious metals:
- 203 (i) the State Disaster Recovery Restricted Account, created in Section 53-2a-603;
 204 (ii) the General Fund Budget Reserve Account, created in Section 63J-1-312;
 205 (iii) the Income Tax Fund Budget Reserve Account, created in Section 63J-1-313; and
 206 (iv) the Medicaid Growth Reduction and Budget Stabilization Account, created in
 207 Section~~[-63J-1-315.]~~ 63J-1-315; and
- 208 (r) the funds in the Opioid Litigation Proceeds Fund, created in Section 51-9-801.
- 209 (2) Except for the funds of the Utah State Retirement Board and the Utah Educational
 210 Savings Plan, the funds described in Subsection (1) are not exempt from Subsections
 211 51-7-14(2) and (3).
- 212 (3) Notwithstanding Title 52, Chapter 4, Open and Public Meetings Act, a public body that
 213 administers a fund described in Subsection (1) may hold a closed meeting to discuss the
 214 sale or purchase of identifiable securities, investment funds, or investment contracts.
- 215 (4) A paper, electronic, or other depiction or record of information relating to investment
 216 activities of a fund described in Subsection (1) is not subject to Title 63G, Chapter 2,
 217 Government Records Access and Management Act.
- 218 Section 4. Section **51-9-801** is amended to read:

219 **Part 8. Opioid Litigation Proceeds Fund**

220 **51-9-801 (Effective 07/01/25). Opioid Litigation Proceeds Fund.**

- 221 (1) As used in this section:
- 222 (a) "Fund" means the Opioid Litigation Proceeds Fund created in this section.
- 223 (b)(i) "Principal" means money deposited into the fund in accordance with this
 224 section.
- 225 (ii) "Principal" does not include:
- 226 (A) earnings credited to the fund, including interest and dividends; or
- 227 (B) up to \$21 million of money described in Subsection (4) that the Legislature
 228 allocated through July 1, 2026, to be spent for various purposes through June
 229 30, 2027.
- 230 (2) There is created ~~[within the General Fund a restricted account known as]~~the Opioid
 231 Litigation Proceeds ~~[Restricted Account]~~ Fund.
- 232 ~~[(2)]~~ (3) The ~~[account]~~ fund consists of:
- 233 (a) any money deposited into the ~~[account]~~ fund in accordance with Subsection ~~[(3)]~~ (4);
- 234 (b) interest and dividends earned on money in the ~~[account]~~ fund; and

- 235 (c) money appropriated to the ~~[account]~~ fund by the Legislature.
- 236 ~~[(3)]~~ (4) Notwithstanding Sections 13-2-8 and 76-10-3114, after reimbursement to the
237 attorney general and the Department of Commerce for expenses related to the matters
238 described in Subsection ~~[(3)(a) or (b)]~~ (4)(a) or (b), the following shall be deposited into
239 the ~~[account]~~ fund:
- 240 (a) all money received by the attorney general or the Department of Commerce as a
241 result of any judgment, settlement, or compromise of claims pertaining to alleged
242 violations of law related to the manufacture, marketing, distribution, or sale of
243 opioids from a case designated as an opioid case by the attorney general in a legal
244 services contract; and
- 245 (b) all money received by the attorney general or the Department of Commerce as a
246 result of any multistate judgment, settlement, or compromise of claims pertaining to
247 alleged violations of law related to the manufacture, marketing, distribution, or sale
248 of opioids.
- 249 (5) The state treasurer shall:
- 250 (a) invest the money in the fund:
- 251 (i) for the benefit of the people of the state in perpetuity; and
- 252 (ii) with the following goals, in order of priority:
- 253 (A) providing for growth of the principal; and
- 254 (B) fund stability; and
- 255 (b) invest and manage fund money as a prudent investor would by:
- 256 (i) considering the purpose, terms, distribution requirements, and other circumstances
257 of the fund; and
- 258 (ii) exercising reasonable care, skill, and caution in order to meet the standard of care
259 of a prudent investor.
- 260 (6) The state treasurer may deduct any administrative costs incurred by managing the fund
261 from earnings generated by investments in the fund.
- 262 ~~[(4)]~~ (7)(a) The Legislature may not appropriate principal from the fund.
- 263 (b) Subject to appropriation by the Legislature, money in the account other than principal
264 shall be used:
- 265 ~~[(a)]~~ (i) to address the effects of alleged violations of law related to the manufacture,
266 marketing, distribution, or sale of opioids; or
- 267 ~~[(b)]~~ (ii) if applicable, in accordance with the terms of a settlement agreement
268 described in Subsection ~~[(3)(a) or (b)]~~ (4)(a) or (b) entered into by the state.

269 Section 5. Section **67-4-20** is enacted to read:

270 **67-4-20 (Effective 07/01/25). State Treasurer Investment Management Account.**

271 (1) As used in this section, "account" means the State Treasurer Investment Management
272 Account created in this section.

273 (2) There is created within the General Fund a restricted account known as the State
274 Treasurer Investment Management Account.

275 (3) Money in the account is solely to pay for the state treasurer's costs of managing the
276 state's investments.

277 (4)(a) Subject to Subsection (4)(b), the account shall consist of a portion of investment
278 earnings on the Public Treasurers' Investment Fund created in Section 51-7-3.

279 (b) The total annual amount deposited into the account for a given fiscal year may not
280 exceed the amount appropriated from the account for that fiscal year.

281 (5) The state treasurer shall deposit investment earnings into the account quarterly, based
282 on the annually appropriated amount described in Subsection (4)(b).

283 (6) Appropriations from the account reduce General Fund revenue and Income Tax Fund
284 revenue proportional to those funds' share of total investments.

285 (7) Beginning in 2026, after July 1 and before December 1 each calendar year, the state
286 treasurer shall report to the Executive Appropriations Committee the portion of the
287 deposits into the account during the previous fiscal year that was General Fund revenue
288 and the portion that was Income Tax Fund revenue.

289 (8) The Division of Finance shall lapse any balances in the account at the close of a fiscal
290 year to the General Fund and Income Tax Fund proportional to those funds' share of
291 total deposits.

292 Section 6. **Effective Date.**

293 (1) Except as provided in Subsection (2), this bill takes effect July 1, 2025.

294 (2) The actions affecting Section 32B-2-301 (Effective 05/07/25) take effect on May 7,
295 2025.