

**Jennifer Dailey-Provost** proposes the following substitute bill:

## Restricted Account Modifications

## 2026 GENERAL SESSION

# STATE OF UTAH

## **Chief Sponsor: Jennifer Dailey-Provost**

Senate Sponsor: Evan J. Vickers

## LONG TITLE

### **General Description:**

This bill modifies provisions related to restricted accounts.

## Highlighted Provisions:

This bill:

- modifies provisions that govern the permissible uses of funds in the Tobacco Settlement Restricted Account and the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account;
- directs how to satisfy legislative appropriations from the Tobacco Settlement Restricted Account or the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account when the total appropriated amounts exceed actual revenue;
- makes a technical correction to add a sunset review for certain provisions related to the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account before the provisions are repealed in accordance with existing statute; and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:

**51-9-201 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 328  
**59-14-807 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 173, 366  
**63I-1-259 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 270  
**63I-2-259 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 157,

29           182, 277, and 366

---

---

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

32       Section 1. Section **51-9-201** is amended to read:

33       **51-9-201 (Effective 07/01/26). Creation of Tobacco Settlement Restricted  
34       Account.**

35       (1) There is created within the General Fund a restricted account known as the "Tobacco  
36       Settlement Restricted Account."

37       (2) The account shall earn interest.

38       (3) The account shall consist of:

39           (a) on and after July 1, 2007, 60% of all funds of every kind that are received by the  
40           state that are related to the settlement agreement that the state entered into with  
41           leading tobacco manufacturers on November 23, 1998; and

42           (b) interest earned on the account.

43       (4)(a) ~~To the extent that funds will be available for appropriation in a given fiscal year,~~  
44       ~~those funds shall be appropriated from the account in the following order~~ To the  
45       extent there are available funds in the Tobacco Settlement Restricted Account, the  
46       Legislature shall appropriate funds from the account as follows:

47           [(a)] (i) ~~[\$66,600]~~to the Office of the Attorney General for ongoing enforcement and  
48           defense of the Tobacco Settlement Agreement;

49           [(b)] (ii) ~~[\$18,500]~~to the State Tax Commission for ongoing enforcement of business  
50           compliance with the Tobacco Tax Settlement Agreement;

51           [(e)] (iii) ~~[\$11,022,900]~~to the Department of Health and Human Services for:

52           [(i)] (A) children in the Medicaid program created in Title 26B, Chapter 3, Health  
53           Care - Administration and Assistance, and the Children's Health Insurance  
54           Program created in Section 26B-3-902; and

55           [(ii)] (B) for restoration of dental benefits in the Children's Health Insurance  
56           Program;

57           [(d)] (iv) ~~[\$3,277,100]~~to the Department of Health and Human Services for alcohol,  
58           tobacco, and other drug prevention, reduction, cessation, and control programs  
59           that promote unified messages and make use of media outlets, including radio,  
60           newspaper, billboards, and television, and with a preference in funding given to  
61           tobacco-related programs; and

62           [(e)] (v) ~~[\$193,700]~~to the Administrative Office of the Courts and ~~[\$2,325,400]~~to the

Department of Health and Human Services for the statewide expansion of the drug court program[;].

[f] \$4,000,000 to the Utah Board of Higher Education for the University of Utah Health Sciences Center to benefit the health and well-being of Utah citizens through in-state research, treatment, and educational activities; and]

[(g) any remaining funds as directed by the Legislature through appropriation.]

(b) When appropriating money in accordance with this section, the Legislature shall include intent language for each appropriation that refers to the corresponding item in Subsection (4)(a).

(c) If the total amount the Legislature appropriates in a fiscal year for the items described in Subsections (4)(a)(i) through (v) exceeds the actual available funds in the Tobacco Settlement Restricted Account, the Division of Finance shall make transfers to satisfy the Legislature's appropriation for each item described in Subsection (4)(a):

(i) sequentially in the order listed;

- (ii) in full or, if insufficient funds are available to satisfy that item, in part; and
- (iii) until the available funds in the Tobacco Settlement Restricted Account are exhausted.

Section 2. Section **59-14-807** is amended to read:

**59-14-807 (Effective 07/01/26). Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account.**

(1) There is created within the General Fund a restricted account known as the "Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account."

(2) The Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account consists of:

(a) revenue collected from the tax imposed by Section 59-14-804;

(b) fees and penalties collected under Section 59-14-810;

(c) all money received by the attorney general or the Department of Commerce 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 electronic cigarette products, as defined in Section 76-9-1101:

(i) if the total amount of the judgment, settlement, or compromise received by the state exceeds \$1,000,000; and

(ii) after reimbursement to the attorney general and the Department of Commerce for

97                   expenses related to the matters described in this Subsection (2)(c); and

98                   (d) amounts appropriated by the Legislature.

99                   (3)(a) Subject to Subsections (3)(b) and (c), for each fiscal year and subject to  
100                   appropriation by the Legislature, the Division of Finance shall distribute funds from  
101                   the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account  
102                   as follows:

- 103                   (i) [[\$2,000,000]] to the Department of Health and Human Services for enforcement  
104                   services aimed at disrupting organizations and networks that provide tobacco  
105                   products, electronic cigarette products, nicotine products, or other illegal  
106                   controlled substances to minors, which the Department of Health and Human  
107                   Services shall allocate to the local health departments using the formula created in  
108                   accordance with Section 26A-1-116;
- 109                   (ii) [[\$1,180,000]] to the Department of Public Safety for law enforcement officers  
110                   aimed at disrupting organizations and networks that provide tobacco products,  
111                   electronic cigarette products, nicotine products, and other illegal controlled  
112                   substances to minors;
- 113                   (iii) [[\$1,000,000]] to the Department of Health and Human Services for enforcement  
114                   services aimed at disrupting organizations and networks that provide tobacco  
115                   products, electronic cigarette products, nicotine products, and other illegal  
116                   controlled substances to minors;
- 117                   (iv) [[\$3,000,000]] to the Department of Health and Human Services for community  
118                   partner prevention programs, which the Department of Health and Human  
119                   Services shall allocate to the local health departments using the formula created in  
120                   accordance with Section 26A-1-116;
- 121                   (v) [[\$1,000,000]] to the Department of Health and Human Services for statewide  
122                   cessation programs and prevention education;
- 123                   (vi) [[\$2,000,000]] to the Department of Health and Human Services for alcohol,  
124                   tobacco, and other drug prevention, reduction, cessation, and control programs  
125                   that promote unified messages and make use of media outlets, including radio,  
126                   newspaper, billboards, and television; and
- 127                   (vii) [[\$5,084,200]] to the State Board of Education for school-based prevention  
128                   programs.

129                   [(b) If the amount in the Electronic Cigarette Substance and Nicotine Product Proceeds  
130                   Restricted Account is insufficient to cover the distributions described in Subsection

131 (3)(a), the Division of Finance shall make the distributions under Subsection (3)(a):]  
132 [(i) sequentially in the order of priority the distributions are listed under Subsection  
133 (3)(a);]  
134 [(ii) in full or, if insufficient funds are available to satisfy the next distribution in the  
135 sequence, in part; and]  
136 [(iii) until the available funds in the Electronic Cigarette Substance and Nicotine  
137 Product Proceeds Restricted Account are exhausted.]

138 (b) When appropriating money in accordance with this section, the Legislature shall  
139 include intent language for each appropriation that refers to the corresponding item in  
140 Subsection (3)(a).

141 (c) If the total amount the Legislature appropriates for the items described in  
142 Subsections (3)(a)(i) through (vii) in a fiscal year exceeds the actual available funds  
143 in the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted  
144 Account, the Division of Finance shall make transfers to satisfy the Legislature's  
145 appropriation for each item described in Subsection (3)(a):

146 (i) sequentially in the order listed;  
147 (ii) in full or, if insufficient funds are available to satisfy that item, in part; and  
148 (iii) until the available funds in the Electronic Cigarette Substance and Nicotine  
149 Product Proceeds Restricted Account are exhausted.

150 [(e)] (d) For each fiscal year and subject to appropriation by the Legislature, the Division  
151 of Finance shall distribute from the funds deposited under Section 59-14-810 into the  
152 Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account:

153 (i) to the commission, in an amount equal to the amount necessary to create and  
154 maintain the registry described in Section 59-14-810;  
155 (ii) to the Department of Health and Human Services, in an amount necessary for  
156 completing duties described in Section 59-14-810; and  
157 (iii) to the Department of Health and Human Services, the remainder to be divided  
158 among the local health departments for inspection and enforcement described in  
159 Sections 26A-1-131 and 59-14-810.

160 (4)(a) The local health departments shall use the money received in accordance with  
161 Subsection (3)(a) for enforcing:

162 (i) the regulation provisions described in Section 26B-7-505;  
163 (ii) the labeling requirement described in Section 26B-7-505; and  
164 (iii) the penalty provisions described in Section 26B-7-518.

165 (b) The Department of Health and Human Services shall use the money received in  
166 accordance with Subsection (3)(a)(v) for the Youth Electronic Cigarette, Marijuana,  
167 and Other Drug Prevention Program created in Section 26B-1-428.

168 (c) The local health departments shall use the money received in accordance with  
169 Subsection (3)(a)(iv) to issue grants under the Electronic Cigarette, Marijuana, and  
170 Other Drug Prevention Grant Program created in Section 26A-1-129.

171 (d) The State Board of Education shall use the money received in accordance with  
172 Subsection (3)(a)(vii) to distribute to local education agencies to pay for:  
173 (i)(A) stipends for positive behaviors specialists as described in Subsection  
174 53G-10-407(4)(a)(i);  
175 (B) the cost of administering the positive behaviors plan as described in  
176 Subsection 53G-10-407(4)(a)(ii); and  
177 (C) the cost of implementing an Underage Drinking and Substance Abuse  
178 Prevention Program in grade 4 or 5, as described in Subsection  
179 53G-10-406(3)(b); or  
180 (ii) a comprehensive prevention plan, as that term is defined in Section 53F-2-525.

181 (5)(a) The fund shall earn interest.

182 (b) All interest earned on fund money shall be deposited into the fund.

183 (6) Subject to legislative appropriations, funds remaining in the Electronic Cigarette  
184 Substance and Nicotine Product Proceeds Restricted Account after the distribution  
185 described in Subsection (3) may only be used for:  
186 (a) funding commission personnel to enforce compliance with the tax collection  
187 requirements of this part; and  
188 (b) programs and activities related to the prevention and cessation of electronic cigarette,  
189 nicotine products, marijuana, and other drug use.

190 Section 3. Section **63I-1-259** is amended to read:

191 **63I-1-259 (Effective 05/06/26). Repeal dates: Title 59.**

192 (1) Subsection 59-1-403(4)(aa), regarding a requirement for the State Tax Commission to  
193 inform the Department of Workforce Services whether an individual claimed a federal  
194 earned income tax credit, is repealed July 1, 2029.

195 (2) Section 59-2-1603, Allocation of money in the Property Tax Valuation Fund -- Use of  
196 funds, is repealed July 1, 2030.

197 (3) Section 59-5-304, Tax credit for mining exploration, is repealed July 1, 2037.

198 (4) Section 59-7-618.1, Tax credit related to alternative fuel heavy duty vehicles, is

199                   repealed July 1, 2029.

200                   (5) Section 59-9-102.5, Offset for occupational health and safety related donations, is  
201                   repealed December 31, 2030.

202                   (6) Section 59-10-1033.1, Tax credit related to alternative fuel heavy duty vehicles, is  
203                   repealed July 1, 2029.

204                   (7) Subsection 59-14-807(3)(a)(vi), regarding funding for alcohol, tobacco, and other drug  
205                   prevention, reduction, cessation, and control programs, is repealed July 1, 2030.

206                   (8) Subsection 59-14-807(4)(b), regarding money for the Youth Electronic Cigarette,  
207                   Marijuana, and Other Drug Prevention Committee, is repealed July 1, 2030.

208                   [(7)] (9) Subsection 59-28-103(5), regarding a tax rate on certain transactions that take place  
209                   within a county of the first class, is repealed July 1, 2047.

210                   Section 4. Section **63I-2-259** is amended to read:

211                   **63I-2-259 (Effective 05/06/26). Repeal dates: Title 59.**

212                   (1) Subsection 59-7-159(3)(b)(iii), referencing Section 59-7-614.10, is repealed December  
213                   31, 2026.

214                   (2) Section 59-7-614.10, Nonrefundable enterprise zone tax credit, is repealed December  
215                   31, 2026.

216                   (3) Subsection 59-10-137(3)(b)(viii), referencing Section 59-10-1037, is repealed  
217                   December 31, 2026.

218                   (4) Section 59-10-1037, Nonrefundable enterprise zone tax credit, is repealed December 31,  
219                   2026.

220                   [(5) Subsection 59-14-807(3)(a)(iii), regarding the Youth Electronic Cigarette, Marijuana,  
221                   and Other Drug Prevention Committee, is repealed July 1, 2030.]

222                   [(6) Subsection 59-14-807(4)(b), regarding the Youth Electronic Cigarette, Marijuana, and  
223                   Other Drug Prevention Committee, is repealed July 1, 2030.]

224                   [(7)] (5) Section 59-24-103.8, Radioactive waste facility expansion tax -- Payment --  
225                   Deposit of tax revenue, is repealed July 1, 2026.

226                   Section 5. **Effective Date.**

227                   (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

228                   (2) The actions affecting the following sections take effect on July 1, 2026:

229                   (a) Section 51-9-201 (Effective 07/01/26); and

230                   (b) Section 59-14-807 (Effective 07/01/26).