

**RESOLUTION ON USE OF TOBACCO
SETTLEMENT PROCEEDS**

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard C. Nielson

A CONCURRENT RESOLUTION OF THE LEGISLATURE AND THE GOVERNOR REAFFIRMING THE RIGHT OF STATES TO DETERMINE THE DISPOSITION OF TOBACCO SETTLEMENT FUNDS AND URGING THE FEDERAL GOVERNMENT TO NOT INTERFERE WITH HOW STATES CHOOSE TO EXERCISE THIS RIGHT.

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, Utah is one of 46 states which settled claims against the tobacco industry for \$206 billion to be disbursed over 25 years beginning in the year 2000;

WHEREAS, this action by the states came in the wake of the federal government's failed attempts to resolve the issue;

WHEREAS, the federal government is now insisting it is entitled to a portion of the proceeds, citing its Medicaid funding to the states and the fact that many of the original lawsuits were filed to reclaim Medicaid spending caused by tobacco use;

WHEREAS, the federal government has also mounted efforts to require states to spend their portion of the tobacco settlement proceeds on specific programs;

WHEREAS, Utah and other states participating in the settlement are entitled to spend the funds rightfully coming to them in whatever manner they consider appropriate and necessary to respond to the unique needs of their citizens;

WHEREAS, for the federal government to attempt to dictate spending policy to the states after their own efforts to resolve the issue failed demonstrates a troubling lack of recognition of the states' successful efforts to bring closure to the tobacco issue; and

WHEREAS, it is for the states, who can detect and address local needs with greater clarity, to make the determination of how to spend the tobacco proceeds which will rightfully flow to them according to the terms of the settlement:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the

Governor concurring therein, reaffirm the right of the states participating in the tobacco settlement to determine how best to dispose of the funds flowing to them for the benefit of its citizens.

BE IT FURTHER RESOLVED that the Legislature and the Governor urge the federal government not to interfere in the disposition of the funds to the states resulting from the tobacco settlement.

BE IT FURTHER RESOLVED that copies of this resolution be sent to the Department of Health and Human Services and the members of Utah's congressional delegation.