

1                                   **RESOLUTION ON USE OF TOBACCO**

2                                   **SETTLEMENT PROCEEDS**

3                                   1999 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Howard C. Nielson**

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

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

11           WHEREAS, Utah is one of 46 states which settled claims against the tobacco industry for  
12 \$206 billion to be disbursed over 25 years beginning in the year 2000;

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

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

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

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

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

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

28 according to the terms of the settlement:

29           NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the  
30 Governor concurring therein, reaffirm the right of the states participating in the tobacco settlement  
31 to determine how best to dispose of the funds flowing to them for the benefit of its citizens.

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

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

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**Legislative Review Note**

**as of 1-4-99 8:45 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**