

**TECHNICAL AMENDMENTS TO TOBACCO
SETTLEMENT TRUST FUND**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Karen W. Morgan

This act makes technical amendments to the distribution of the tobacco settlement funds necessary to comply with Utah Constitution Article XXII, Section 4. This act provides an effective date and has retrospective operation.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

63-97-301, as enacted by Chapter 351, Laws of Utah 2000

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

Section 1. Section **63-97-301** is amended to read:

63-97-301. Permanent state trust fund.

(1) Until July 1, 2003, 50% of all funds of every kind that are received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers on November 23, 1998, shall be deposited into the permanent state trust fund created by and operated under Utah Constitution Article XXII, Section 4.

(2) On and after July 1, 2003, 60% of all funds of every kind that are received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers on November 23, 1998, shall be deposited into the permanent state trust fund created by and operated under Utah Constitution Article XXII, Section 4.

(3) Funds in the permanent state trust fund shall be deposited or invested pursuant to Section 51-7-12.1.

(4) (a) ~~[Fifty percent of]~~ In accordance with Utah Constitution Article XXII, Section 4, the interest and dividends earned annually from the permanent state trust fund shall [remain in the fund to] be deposited in the General Fund. There shall be transferred on an ongoing basis from the General Fund to the permanent state trust fund created under Utah Constitution Article XXII, Section 4, an amount equal to 50% of the interest and dividends earned annually from the

permanent state trust fund. The amount transferred into the fund under this Subsection (4)(a) shall be treated as principal.

(b) Any annual interest or dividends earned from the permanent state trust fund that remain in the General Fund after Subsection (4)(a) may be appropriated by the Legislature.

(c) Any realized or unrealized gains or losses on investments in the permanent state trust fund shall remain in the permanent state trust fund.

Section 2. Effective date and retrospective operation.

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override, except Subsection 63-97-301(4) shall have retrospective operation to July 1, 2001.