

**Representative Karen W. Morgan** proposes the following substitute bill:

**USE OF TOBACCO SETTLEMENT INTEREST  
PROCEEDS**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Karen W. Morgan**

**This act modifies the distribution of tobacco settlement funds. This act appropriates 50% of the annual interest and dividends earned by the permanent state trust fund for tobacco settlement monies to the Department of Health for alcohol, tobacco, and other drug prevention, reduction, cessation, and control programs. This act contains a coordinating clause.**

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



26 Section 51-7-12.1.

27 (4) (a) Fifty percent of the interest and dividends earned annually from the permanent state  
28 trust fund shall remain in the fund to be treated as principal.

29 (b) [~~Any~~] Beginning fiscal year 2002-03, any annual interest or dividends earned from the  
30 permanent state trust fund that remain after Subsection (4)(a) [~~may~~] shall be appropriated [~~by the~~  
31 ~~Legislature~~] on an ongoing basis from the permanent state trust fund to the Department of Health  
32 for the purposes set forth in Subsection 63-97-201(4)(b).

33 Section 2. **Coordination clause.**

34 If this bill and H.B. 53, Technical Amendments to Tobacco Settlement Trust fund both pass  
35 it is the intent of the Legislature that the Office of Legislative Research and General Counsel shall  
36 prepare the database so that:

37 (1) Subsection 63-97-301(4)(b) shall read:

38 (b) [~~Any~~] Beginning fiscal year 2002-03, any annual interest or dividends earned from the  
39 permanent state trust fund that remain in the General Fund after Subsection (4)(a) [~~may~~] shall be  
40 appropriated [~~by the Legislature~~] on an ongoing basis from the General Fund to the Department  
41 of Health for the purposes set forth in Subsection 63-97-201(4)(b).