

1 **ALLOCATION OF TOBACCO FUND**

2 **AMENDMENTS**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Darin G. Peterson**

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the percentage of tobacco settlement funds deposited in the the
10 permanent state trust fund.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ deposits 30% of the money received by the state from tobacco settlement money in
14 fiscal year 2004-05 only into the state's General Fund Budget Reserve Account.

15 **Monies Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 This bill provides a coordination clause.

19 **Utah Code Sections Affected:**

20 AMENDS:

21 **63-97-301**, as last amended by Chapter 323, Laws of Utah 2003

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

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

25 **63-97-301. Permanent state trust fund.**

26 (1) Until July 1, 2003, 50% of all funds of every kind that are received by the state that
27 are related to the settlement agreement that the state entered into with leading tobacco



28 manufacturers on November 23, 1998, shall be deposited into the permanent state trust fund
 29 created by and operated under Utah Constitution Article XXII, Section 4.

30 (2) On and after July 1, 2003 and until July 1, 2004 20% of the funds of any kind
 31 received by the state that are related to the settlement agreement that the state entered into with
 32 leading tobacco manufacturers shall be deposited into the permanent state trust fund created by
 33 and operated under Utah Constitution Article XXII, Section 4.

34 (3) On and after July 1, 2004 and until July 1, [2007-50%] ~~H~~ **[2006] 2005 h**, 30% of all
 34a funds of
 35 any kind received by the state that are related to the settlement agreement that the state entered
 36 into with leading tobacco manufacturers shall be deposited into the [~~permanent state trust fund~~
 37 ~~created by and operated under Utah Constitution Article XXII, Section 4~~] General Fund Budget
 38 Reserve Account created in Section 63-38-2.5.

39 (4) On and after July 1, [2007, 60%] ~~H~~ **[2006] 2005 h**, 45% of all funds of every kind
 39a that are
 40 received by the state that are related to the settlement agreement that the state entered into with
 41 leading tobacco manufacturers on November 23, 1998, shall be deposited into the permanent
 42 state trust fund created by and operated under Utah Constitution Article XXII, Section 4.

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

45 (6) (a) In accordance with Utah Constitution Article XXII, Section 4, the interest and
 46 dividends earned annually from the permanent state trust fund shall be deposited in the General
 47 Fund. There shall be transferred on an ongoing basis from the General Fund to the permanent
 48 state trust fund created under Utah Constitution Article XXII, Section 4, an amount equal to
 49 50% of the interest and dividends earned annually from the permanent state trust fund. The
 50 amount transferred into the fund under this Subsection (6)(a) shall be treated as principal.

51 (b) Any annual interest or dividends earned from the permanent state trust fund that
 52 remain in the General Fund after Subsection (6)(a) may be appropriated by the Legislature.

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

55 **Section 2. Coordinating H.B. 330 with H.B. 260.**

56 If this H.B. 330 and H.B. 260, Tobacco Fund Allocation Amendment, both pass, it is
 57 the intent of the Legislature that the amendments in Subsection 63-97-301(3) in this H.B. 330
 58 supercede the amendments to Subsection 63-97-301(3) in H.B. 260.

Legislative Review Note
as of 3-1-04 8:43 PM

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

Office of Legislative Research and General Counsel