

**BUDGET IMPLEMENTATION ADJUSTMENTS -
TOBACCO SETTLEMENT FUNDS**

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ron Bigelow

Senate Sponsor: Lyle W. Hillyard

LONG TITLE

General Description:

This bill makes adjustments in the amounts provided to the Departments of Health and Human Services, and the Administrative Office of the Courts from Tobacco Settlement Funds.

Highlighted Provisions:

This bill:

- ▶ shifts monies between programs in the Departments of Health and Human Services from the Tobacco Settlement Funds;
- ▶ eliminates the drug board pilot program in the Department of Human Services;
- ▶ provides specific funds for the Gold Medal Schools Program through the Department of Health; and
- ▶ increases funding to the Department of Health for the Children's Health Insurance Program.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2009.

This bill coordinates with H.B. 302, Distribution of Tobacco Settlement Monies Amendments.



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **51-9-201**, as last amended by Laws of Utah 2008, Chapter 250 and renumbered and
31 amended by Laws of Utah 2008, Chapter 382

32 REPEALS:

33 **78A-5-202**, as renumbered and amended by Laws of Utah 2008, Chapter 3



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

36 Section 1. Section **51-9-201** is amended to read:

37 **51-9-201. Creation of Tobacco Settlement Restricted Account.**

38 (1) There is created within the General Fund a restricted account known as the
39 "Tobacco Settlement Restricted Account."

40 (2) The account shall earn interest.

41 (3) The account shall consist of:

42 (a) until July 1, 2003, 50% of all funds of every kind that are received by the state that
43 are related to the settlement agreement that the state entered into with leading tobacco
44 manufacturers on November 23, 1998;

45 (b) on and after July 1, 2003 and until July 1, 2004, 80% of all funds of every kind that
46 are received by the state that are related to the settlement agreement that the state entered into
47 with leading tobacco manufacturers on November 23, 1998;

48 (c) on and after July 1, 2004 and until July 1, 2005, 70% of all funds of every kind that
49 are received by the state that are related to the settlement agreement that the state entered into
50 with leading tobacco manufacturers on November 23, 1998;

51 (d) on and after July 1, 2005 and until July 1, 2007, 75% of all funds of every kind that
52 are received by the state that are related to the settlement agreement that the state entered into
53 with leading tobacco manufacturers on November 23, 1998;

54 (e) on and after July 1, 2007, 60% of all funds of every kind that are received by the
55 state that are related to the settlement agreement that the state entered into with leading tobacco
56 manufacturers on November 23, 1998; and

57 (f) interest earned on the account.

58 (4) To the extent that funds will be available for appropriation in a given fiscal year,

59 those funds shall be appropriated from the account in the following order:

60 (a) [~~\$10,300,000~~] \$14,576,400 to the Department of Health for the Children's Health
61 Insurance Program created in Section 26-40-103 and for restoration of dental benefits in the
62 Children's Health Insurance Program;

63 ~~H→ [(b)] ←H~~ [~~\$4,000,000~~] ~~H→~~ [~~\$500,000 to the Department of Health for~~] ~~←H~~ [alcohol;
63a tobacco, and other

64 drug prevention, reduction, cessation, and control programs that promote unified messages and
65 make use of media outlets, including radio, newspaper, billboards, and television, and with a
66 preference in funding given to tobacco-related programs] ~~H→~~ [~~the Gold Medal Schools Program~~;

67 ~~———(c) (b) ←H~~ [~~\$193,700~~] \$352,800 to the Administrative Office of the Courts and
67a [~~\$1,296,300~~]

68 \$1,647,200 to the Department of Human Services for the statewide expansion of the drug court
69 program;

70 [~~(d) \$77,400 to the Board of Pardons, \$81,700 to the Department of Corrections, and~~
71 ~~\$350,900 to the Department of Human Services for a drug board pilot program;~~]

72 [~~(e)] ~~H→~~ [~~(d)] (c) ←H~~ \$4,000,000 to the State Board of Regents for the University of Utah
72a Health
73 Sciences Center to benefit the health and well-being of Utah citizens through in-state research,
74 treatment, and educational activities;~~

74a ~~H→~~ **(d) \$500,000 to the Department of Health for the Gold Medal Schools Program;**
74b **(e) as funds are available, to the Department of Health for alcohol, tobacco and other**
74c **drug prevention, reduction, cessation and control programs with a preference in funding given**
74d **to tobacco- related programs;** ~~←H~~ and

75 ~~H→~~ [~~f]~~ (f) [~~h]~~ [~~(e)] ←H~~ any remaining funds as directed by the Legislature through
75a appropriation.

76 (5) (a) If tobacco funds in dispute for attorney fees are received by the state, those
77 funds shall be divided and deposited in accordance with Subsection (3) and Section 51-9-202.

78 (b) The amount appropriated from the Tobacco Settlement Restricted Account to the
79 Department of Health for alcohol, tobacco, and other drug programs described in Subsection
80 (4) ~~H→~~ [~~(b)] (e) ←H~~ , including the funding preference for tobacco-related programs, shall be
80a increased by up
81 to \$2,000,000 in a given fiscal year to the extent that funds in dispute for attorney fees are
82 available to the state for appropriation from the account.

83 (6) Each state agency identified in Subsection (4) shall provide an annual report on the
84 program and activities funded under Subsection (4) to:

85 (a) the Health and Human Services Interim Committee no later than September 1; and
86 (b) the Health and Human Services Appropriations Subcommittee.

87 Section 2. **Repealer.**

88 This bill repeals:

89 Section 78A-5-202, Creation of Drug Board Pilot Project -- Definition of Drug

90 **Board Pilot Project -- Criteria for parolee participation in the Drug Board Pilot Project --**
91 **Reporting requirements.**

92 Section 3. **Effective date.**

93 This bill takes effect on July 1, 2009.

94 Section 4. **Coordinating H.B. 444 with H.B. 302 -- Superseding amendments.**

95 If this H.B. 444 and H.B. 302, Distribution of Tobacco Settlement Monies

96 Amendments, both pass, it is the intent of the Legislature that Section 51-9-201 in this bill

97 supersedes Section 51-9-201 in H.B. 302 when the Office of Legislative Research and General

98 Counsel prepares the database for publication, on July 1, 2009.

Legislative Review Note

as of 2-27-09 9:59 AM

Office of Legislative Research and General Counsel

H.B. 444 - Budget Implementation Adjustments - Tobacco Settlement Funds

Fiscal Note

2009 General Session

State of Utah

State Impact

This Legislation increases appropriations from the Tobacco Settlement Restricted Account by \$500,000. The total of all changes mentioned in the legislation adds to \$776,400, but \$276,400 of the amount is a reallocation from a currently non-specified appropriation.

| | <u>2009</u> <u>Approp.</u> | <u>2010</u> <u>Approp.</u> | <u>2011</u> <u>Approp.</u> | <u>2009</u> <u>Revenue</u> | <u>2010</u> <u>Revenue</u> | <u>2011</u> <u>Revenue</u> |
|------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Restricted Funds | \$0 | \$500,000 | \$500,000 | \$0 | \$0 | \$0 |
| Total | \$0 | \$500,000 | \$500,000 | \$0 | \$0 | \$0 |

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
