

FAMILY HEALTH SERVICES RFPS - TOBACCO

SETTLEMENT FUNDS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: Daniel R. Liljenquist

LONG TITLE

General Description:

This bill requires the Department of Health to use the RFP process to provide services with Tobacco Settlement funds and makes a one-time deposit into the General Fund from Tobacco Settlement funds.

Highlighted Provisions:

This bill:

- requires that the Department of Health provide services with Tobacco Settlement money through the RFP process; and
- makes a one-time deposit of \$5,050,900 from funds received under the Tobacco Settlement into the General Fund.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

51-9-202, as last amended by Laws of Utah 2009, Chapter 183

ENACTS:

26-10-8, Utah Code Annotated 1953



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

Section 1. Section **26-10-8** is enacted to read:

26-10-8. Request for proposal required for non-state supplied services.

(1) Funds provided to the department through Sections 51-9-201 and 59-14-204 to be used to provide specialized services, shall be awarded to non-state entities based on a competitive request for proposal process.

(2) Beginning July 1, 2010, and not more than every five years thereafter, the department shall issue requests for proposals for awarding funding for programs under Subsection (1).

Section 2. Section **51-9-202** is amended to read:

51-9-202. 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 and until July 1, 2004 20% of the funds of any kind received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers shall be deposited into the permanent state trust fund created by and operated under Utah Constitution Article XXII, Section 4.

(3) On and after July 1, 2004 and until July 1, 2005, 30% of all funds of any kind received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers shall be deposited into the General Fund Budget Reserve Account created in Section 63J-1-312.

(4) On and after July 1, 2005 and until July 1, 2007, 25% of all funds of any kind received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers shall be deposited into the permanent state trust fund created by and operated under Utah Constitution Article XXII, Section 4.

(5) On and after July 1, 2007, 40% 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

59 created by and operated under Utah Constitution Article XXII, Section 4. Notwithstanding the
60 direction in this subsection, for fiscal year 2011, the first \$5,050,900 shall be deposited in the
61 General Fund and the remaining funds deposited as directed.

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

64 (7) (a) In accordance with Utah Constitution Article XXII, Section 4, the interest and
65 dividends earned annually from the permanent state trust fund shall be deposited in the General
66 Fund. There shall be transferred on an ongoing basis from the General Fund to the permanent
67 state trust fund created under Utah Constitution Article XXII, Section 4, an amount equal to
68 50% of the interest and dividends earned annually from the permanent state trust fund. The
69 amount transferred into the fund under this Subsection (7)(a) shall be treated as principal.

70 (b) Any annual interest or dividends earned from the permanent state trust fund that
71 remain in the General Fund after Subsection (7)(a) may be appropriated by the Legislature.

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

74 (8) This section does not apply to funds deposited under Chapter 9, Part 3,
75 Infrastructure and Economic Diversification Investment Account and Severance Tax Holding
76 Account, into the permanent state trust fund.

Legislative Review Note
as of 3-8-10 8:30 AM

Office of Legislative Research and General Counsel

H.B. 464 - Family Health Services Rfps - Tobacco Settlement Funds

Fiscal Note

2010 General Session
State of Utah

State Impact

Enactment of this bill will deposit \$5,050,900 one-time into the General Fund in FY 2011. The Tobacco Settlement Trust Fund will forgo the same amount of revenue.

	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2011</u> <u>Approp.</u>	<u>FY 2012</u> <u>Approp.</u>	<u>FY 2010</u> <u>Revenue</u>	<u>FY 2011</u> <u>Revenue</u>	<u>FY 2012</u> <u>Revenue</u>
General Fund, One-Time	\$0	\$0	\$0	\$0	\$5,050,900	\$0
Trust Funds	\$0	\$0	\$0	\$0	(\$5,050,900)	\$0
Total	\$0	\$0	\$0	\$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.