

**TOBACCO SETTLEMENT ACCOUNT AMENDMENTS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lyle W. Hillyard**

House Sponsor: Melvin R. Brown

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**LONG TITLE**

**General Description:**

This bill amends the priority of the use of funds in the Tobacco Settlement Restricted Account.

**Highlighted Provisions:**

This bill:

- ▶ amends the priority of the use of funds in the Tobacco Settlement Restricted Account; and
- ▶ makes technical amendments.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**51-9-201**, as last amended by Laws of Utah 2010, Chapter 404

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

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

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

(1) There is created within the General Fund a restricted account known as the



28 "Tobacco Settlement Restricted Account."

29 (2) The account shall earn interest.

30 (3) The account shall consist of:

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

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

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

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

43 ~~[(e)]~~ (a) on and after July 1, 2007, 60% of all funds of every kind that are received by  
44 the state that are related to the settlement agreement that the state entered into with leading  
45 tobacco manufacturers on November 23, 1998; and

46 ~~[(f)]~~ (b) interest earned on the account.

47 (4) To the extent that funds will be available for appropriation in a given fiscal year,  
48 those funds shall be appropriated from the account in the following order:

49 (a) \$66,600 to the Office of the Attorney General for ongoing enforcement and defense  
50 of the Tobacco Settlement Agreement;

51 (b) \$18,500 to the State Tax Commission for ongoing enforcement of business  
52 compliance with the Tobacco Tax Settlement Agreement;

53 ~~[(a)]~~ (c) \$10,452,900 to the Department of Health for the Children's Health Insurance  
54 Program created in Section 26-40-103 and for restoration of dental benefits in the Children's  
55 Health Insurance Program;

56 ~~[(b)]~~ (d) \$3,847,100 to the Department of Health for alcohol, tobacco, and other drug  
57 prevention, reduction, cessation, and control programs that promote unified messages and  
58 make use of media outlets, including radio, newspaper, billboards, and television, and with a

59 preference in funding given to tobacco-related programs;

60       ~~[(e)]~~ (e) \$193,700 to the Administrative Office of the Courts and \$2,325,400 to the  
61 Department of Human Services for the statewide expansion of the drug court program;

62       ~~[(f)]~~ (f) \$4,000,000 to the State Board of Regents for the University of Utah Health  
63 Sciences Center to benefit the health and well-being of Utah citizens through in-state research,  
64 treatment, and educational activities; and

65       ~~[(g)]~~ (g) any remaining funds as directed by the Legislature through appropriation.

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

68       (b) The amount appropriated from the Tobacco Settlement Restricted Account to the  
69 Department of Health for alcohol, tobacco, and other drug programs described in Subsection  
70 (4)(b), including the funding preference for tobacco-related programs, shall be increased by up  
71 to \$2,000,000 in a given fiscal year to the extent that funds in dispute for attorney fees are  
72 available to the state for appropriation from the account.

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

75       (a) the Health and Human Services Interim Committee no later than September 1; and

76       (b) the Health and Human Services Appropriations Subcommittee.

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**Legislative Review Note**  
as of 12-19-11 10:35 AM

**Office of Legislative Research and General Counsel**