

Senator Lyle W. Hillyard proposes the following substitute bill:

TOBACCO SETTLEMENT ACCOUNT AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: Melvin R. Brown

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:

This bill takes effect on July 1, 2012.

Utah Code Sections Affected:

AMENDS:

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

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

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



26 **51-9-201. Creation of Tobacco Settlement Restricted Account.**

27 (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)]~~ (5) Each state agency identified in Subsection (4) shall provide an annual report
74 on the 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.

77 Section 2. **Effective date.**

78 This bill takes effect on July 1, 2012.