

Representative Rosalind J. McGee proposes the following substitute bill:

REDISTRIBUTION OF TOBACCO FUND

AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Rosalind J. McGee

This act modifies State Affairs in General. The act modifies the distribution of tobacco settlement money received by the state for fiscal years 2003-04 and 2004-05 only. The act deposits 100% of the settlement money into the restricted account and distributes 60% of the amount to the Medicaid budget. The act amends the percentage of money deposited into the permanent state trust fund.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

63-97-201, as last amended by Chapter 96, Laws of Utah 2002

63-97-301, as last amended by Chapter 118, Laws of Utah 2002

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

Section 1. Section **63-97-201** is amended to read:

63-97-201. Creation of Tobacco Settlement Restricted Account.

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

(2) The account shall earn interest.

(3) The account shall consist of:

(a) 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;

(b) on and after July 1, 2003[~~40%~~] and until July 1, 2005, 100% of all funds of every



26 kind that are received by the state that are related to the settlement agreement that the state
27 entered into with leading tobacco manufacturers on November 23, 1998; [~~and~~]

28 (c) on and after July 1, 2005, 40% of all funds of every kind that are received by the
29 state that are related to the settlement agreement that the state entered into with leading tobacco
30 manufacturers on November 23, 1998; and

31 [~~(e)~~] (d) interest earned on the account.

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

34 (a) \$5,500,000 to the Department of Health for the Children's Health Insurance
35 Program created in Section 26-40-103;

36 (b) \$4,000,000 to the Department of Health for alcohol, tobacco, and other drug
37 prevention, reduction, cessation, and control programs that promote unified messages and
38 make use of media outlets, including radio, newspaper, billboards, and television, and with a
39 preference in funding given to tobacco-related programs;

40 (c) \$193,700 to the Administrative Office of the Courts and \$1,296,300 to the
41 Department of Human Services for the statewide expansion of the drug court program;

42 (d) \$77,400 to the Board of Pardons, \$81,700 to the Department of Corrections, and
43 \$350,900 to the Department of Human Services for a drug board pilot program;

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

47 (f) for fiscal years 2003-04 and 2004-05 only, 60% of the funds that are received by the
48 state to the state Medicaid budget; and

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

50 (5) (a) If tobacco funds in dispute for [~~attorneys~~] attorneys' fees are received by the
51 state, those funds shall be divided and deposited in accordance with Subsection (3) and Section
52 63-97-301.

53 (b) The amount appropriated from the Tobacco Settlement Restricted Account to the
54 Department of Health for alcohol, tobacco, and other drug programs described in Subsection
55 (4)[~~(b)~~](c), including the funding preference for tobacco-related programs, shall be increased
56 by up to \$2,000,000 in a given fiscal year to the extent that funds in dispute for [~~attorneys~~]

57 attorneys' fees are available to the state for appropriation from the account.

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

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

61 (b) the Health and Human Services Joint Appropriations Subcommittee.

62 Section 2. Section **63-97-301** is amended to read:

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

64 (1) Until July 1, 2003, 50% of all funds of every kind that are received by the state that
65 are related to the settlement agreement that the state entered into with leading tobacco
66 manufacturers on November 23, 1998, shall be deposited into the permanent state trust fund
67 created by and operated under Utah Constitution Article XXII, Section 4.

68 (2) On and after July 1, 2003 and until July 1, 2005 no funds of any kind received by
69 the state that are related to the settlement agreement that the state entered into with leading
70 tobacco manufacturers shall be deposited into the permanent state trust fund created by and
71 operated under Utah Constitution Article XXII, Section 4.

72 [~~(2)~~] (3) On and after July 1, [~~2003~~] 2005, 60% of all funds of every kind that are
73 received by the state that are related to the settlement agreement that the state entered into with
74 leading tobacco manufacturers on November 23, 1998, shall be deposited into the permanent
75 state trust fund created by and operated under Utah Constitution Article XXII, Section 4.

76 [~~(3)~~] (4) Funds in the permanent state trust fund shall be deposited or invested pursuant
77 to Section 51-7-12.1.

78 [~~(4)~~] (5) (a) In accordance with Utah Constitution Article XXII, Section 4, the interest
79 and dividends earned annually from the permanent state trust fund shall be deposited in the
80 General Fund. There shall be transferred on an ongoing basis from the General Fund to the
81 permanent state trust fund created under Utah Constitution Article XXII, Section 4, an amount
82 equal to 50% of the interest and dividends earned annually from the permanent state trust fund.
83 The amount transferred into the fund under this Subsection (4)(a) shall be treated as principal.

84 (b) Any annual interest or dividends earned from the permanent state trust fund that
85 remain in the General Fund after Subsection (4)(a) may be appropriated by the Legislature.

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