

SETTLEMENT FUND AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses the state's proceeds from certain settlement agreements related to electronic cigarette products.

Highlighted Provisions:

This bill:

- ▶ renames the Electronic Cigarette Substance and Nicotine Product Tax Restricted Account to the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account; and

- ▶ specifies that proceeds from certain settlements regarding the manufacture, marketing, distribution, or sale of electronic cigarette products be deposited into the restricted account amended in this bill.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-14-807, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20

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



28 Section 1. Section 59-14-807 is amended to read:

29 **59-14-807. Electronic Cigarette Substance and Nicotine Product Proceeds**

30 **Restricted Account.**

31 (1) There is created within the General Fund a restricted account known as the
32 "Electronic Cigarette Substance and Nicotine Product Tax Restricted Account."

33 (2) The Electronic Cigarette Substance and Nicotine Product Tax Restricted Account
34 consists of:

35 (a) revenues collected from the tax imposed by Section 59-14-804; [and]

36 (b) all money received by the attorney general or the Department of Commerce as a
37 result of any judgment, settlement, or compromise of claims pertaining to alleged violations of
38 law related to the manufacture, marketing, distribution, or sale of electronic cigarette products,
39 as defined in Section 76-10-101, if the total amount of the judgment, settlement, or
40 compromise received by the state exceeds \$1,000,000; and

41 [~~(b)~~] (c) amounts appropriated by the Legislature.

42 (3) For each fiscal year, beginning with fiscal year 2021, and subject to appropriation
43 by the Legislature, the Division of Finance shall distribute from the Electronic Cigarette
44 Substance and Nicotine Product Tax Restricted Account:

45 (a) \$2,000,000 which shall be allocated to the local health departments by the
46 Department of Health and Human Services using the formula created in accordance with
47 Section 26A-1-116;

48 (b) \$2,000,000 to the Department of Health and Human Services for statewide
49 cessation programs and prevention education;

50 (c) \$1,180,000 to the Department of Public Safety for law enforcement officers aimed
51 at disrupting organizations and networks that provide tobacco products, electronic cigarette
52 products, nicotine products, and other illegal controlled substances to minors;

53 (d) \$3,000,000 which shall be allocated to the local health departments by the
54 Department of Health and Human Services using the formula created in accordance with
55 Section 26A-1-116;

56 (e) \$5,084,200 to the State Board of Education for school-based prevention programs;
57 and

58 (f) \$2,000,000 to the Department of Health and Human Services for alcohol, tobacco,

59 and other drug prevention, reduction, cessation, and control programs that promote unified
60 messages and make use of media outlets, including radio, newspaper, billboards, and
61 television.

62 (4) (a) The local health departments shall use the money received in accordance with
63 Subsection (3)(a) for enforcing:

- 64 (i) the regulation provisions described in Section 26-57-103;
- 65 (ii) the labeling requirement described in Section 26-57-104; and
- 66 (iii) the penalty provisions described in Section 26-62-305.

67 (b) The Department of Health and Human Services shall use the money received in
68 accordance with Subsection (3)(b) for the Youth Electronic Cigarette, Marijuana, and Other
69 Drug Prevention Program created in Section 26-7-10.

70 (c) The local health departments shall use the money received in accordance with
71 Subsection (3)(d) to issue grants under the Electronic Cigarette, Marijuana, and Other Drug
72 Prevention Grant Program created in Section 26A-1-129.

73 (d) The State Board of Education shall use the money received in accordance with
74 Subsection (3)(e) to distribute to local education agencies to pay for:

- 75 (i) stipends for positive behaviors specialists as described in Subsection
76 53G-10-407(4)(a)(i);
- 77 (ii) the cost of administering the positive behaviors plan as described in Subsection
78 53G-10-407(4)(a)(ii); and
- 79 (iii) the cost of implementing an Underage Drinking and Substance Abuse Prevention
80 Program in grade 4 or 5, as described in Subsection 53G-10-406(3)(b).

81 (5) (a) The fund shall earn interest.

82 (b) All interest earned on fund money shall be deposited into the fund.

83 (6) Subject to legislative appropriations, funds remaining in the Electronic Cigarette
84 Substance and Nicotine Product Tax Restricted Account after the distribution described in
85 Subsection (3) may only be used for programs and activities related to the prevention and
86 cessation of electronic cigarette, nicotine products, marijuana, and other drug use.