

1 **FAMILY HEALTH SERVICES RFPS - TOBACCO**

2 **SETTLEMENT FUNDS**

3 2010 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: John Dougall**

6 Senate Sponsor: Daniel R. Liljenquist

8 **LONG TITLE**

9 **General Description:**

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

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ requires that the Department of Health provide services with Tobacco Settlement
- 16 money through the RFP process; and
- 17 ▶ makes a one-time deposit of \$11,350,900 from funds received under the Tobacco
- 18 Settlement into the General Fund.

19 **Monies Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **51-9-202**, as last amended by Laws of Utah 2009, Chapter 183

26 ENACTS:

27 **26-10-8**, Utah Code Annotated 1953

28
29 *Be it enacted by the Legislature of the state of Utah:*

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

31 **26-10-8. Request for proposal required for non-state supplied services.**

32 (1) Funds provided to the department through Sections 51-9-201 and 59-14-204 to be
33 used to provide services, shall be awarded to non-governmental entities based on a competitive
34 process consistent with Title 63G, Chapter 6, Utah Procurement Code.

35 (2) Beginning July 1, 2010, and not more than every five years thereafter, the
36 department shall issue requests for proposals for new or renewing contracts to award funding
37 for programs under Subsection (1).

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

39 **51-9-202. Permanent state trust fund.**

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

44 (2) On and after July 1, 2003 and until July 1, 2004 20% of the funds of any kind
45 received by the state that are related to the settlement agreement that the state entered into with
46 leading tobacco manufacturers shall be deposited into the permanent state trust fund created
47 by and operated under Utah Constitution Article XXII, Section 4.

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

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

56 (5) On and after July 1, 2007, 40% of all funds of every kind that are received by the
57 state that are related to the settlement agreement that the state entered into with leading

58 tobacco manufacturers on November 23, 1998, shall be deposited into the permanent state
59 trust fund created by and operated under Utah Constitution Article XXII, Section 4.
60 Notwithstanding the direction in this Subsection (5), for fiscal year 2011, the first
61 \$11,350,900 shall be deposited in the General Fund and the remaining funds deposited as
62 directed.

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

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

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

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

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