

**TOBACCO SETTLEMENT RESTRICTED ACCOUNT
AND
CIGARETTE TAX RESTRICTED ACCOUNT
REPORTING REQUIREMENTS**

BACKGROUND: In fiscal year 2004, Utah appropriated over \$26.4 million from the Tobacco Settlement Restricted Account and the Cigarette Tax Restricted Account. Utah Code requires reporting from the entities that receive money from the tobacco funds. (See U.C.A. §59-14-204, §63-97-201, and §63-97-401, attached) The purpose of this memo is to describe the reports required by statute so that the committee can determine if the reporting requirements are adequate and if programs and agencies are meeting the reporting requirements.

Cigarette Tax Restricted Account

Utah Code Section 59-14-204 imposes a cigarette tax and deposits part of the revenue from the tax into the Cigarette Tax Restricted Account. The statute requires the following reports to the Legislature:

1. Who reports:
 - Department of Health cessation programs funded by the 2002 tax increase
 - Huntsman Cancer Institute for research
 - U of U Medical School for medical education.
2. Required report includes:
 - amount funded
 - amount expended
 - effectiveness of program
 - if tobacco cessation program, the information required in U.C.A. §63-97-401.
3. Who is not required to report:
 - the Department of Health is not required to report regarding the use of \$250,000 received annually from the 1998 tax increase and used for a media campaign targeted at youth.

Tobacco Settlement Restricted Account

Utah Code Section 63-97-201 requires the following state agencies who receive tobacco settlement money to report to the Health and Human Services Interim Committee and the Joint Appropriations Subcommittee:

1. Who reports:
 - Department of Health: CHIP, and tobacco cessation programs;
 - Drug Court: Dept. of Human Services and Administrative Office of the Courts;
 - Drug Board: Corrections, Board of Pardons, Department of Human Services; and
 - Board of Regents: U of U Health Sciences Center
2. Required report includes only "program and activities funded".

Requirements for Tobacco Cessation Programs

Utah Code Section 63-97-401 requires cessation programs receiving money from the Department of Health to submit detailed reports on the use of the money. The program's report must include the amount funded and expended, a detailed description of the program, the number of participants, specific elements of the program, and the success of the program. If a program fails to report to the Department of Health, the program must refund money to the state and is ineligible for future grants. The Department of Health is required to submit an annual report to the Appropriations Subcommittee regarding these programs and their annual report to the department.