

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0705
Prime Sponsor(s): Rep. Levy
 Sen. Steadman

Date: February 15, 2013
Bill Status: House Health, Insurance and
 Environment
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE RETENTION IN A CASH FUND THAT FUNDS TOBACCO PROGRAMS OF THE LESSER OF ALL UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF ANY FISCAL YEAR OR AN AMOUNT OF SUCH MONEYS EQUAL TO FIVE PERCENT OF THE AMOUNT APPROPRIATED FROM THE FUND FOR THE FISCAL YEAR.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Transfers	See State Transfers section.	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

Recommended by the Joint Budget Committee, this bill allows programs that receive tobacco litigation settlement moneys to increase their spending authority under certain conditions. The bill does not change the statutory allocation of tobacco litigation settlement money distributions. It establishes separate cash funds for programs that do not already have a dedicated cash fund and allows a cash fund to retain excess moneys at the end of a fiscal year in an amount of up to 5 percent of the amount appropriated.

State Transfers

House Bill 12-1338 transfers any General Fund surplus in FY 2012-13 to the State Education Fund. By allowing funds that would have otherwise been swept to the General Fund to remain in their respective cash funds, this bill will reduce the amount required to be transferred to the State Education Fund by approximately \$621,959.

State Expenditures

This bill does not change allocations, but increases spending authority for programs that receive tobacco litigation settlement moneys. Under current law, about 49 percent of excess moneys remain in the appropriate program cash fund, 41 percent revert to the General Fund and 10 percent revert to the Tobacco Fund at the end of each fiscal year. For the current FY 2012-13, if no statutory or appropriations changes are made, the following would occur:

- \$746,578 would remain in program cash funds;
- \$621,959 would revert to the General Fund; and
- \$143,827 would revert to the Tobacco Fund.

Because state agencies that receive tobacco litigation settlement moneys must currently request a supplemental if total funding received exceeds appropriations to ensure the statutory allocation formula is met, this bill will reduce workload by a minimal amount.

Departments Contacted

Joint Budget Committee Staff