

*Colorado Legislative Council Staff Fiscal Note*

**STATE  
FISCAL IMPACT**

---

<b>Drafting Number:</b> LLS 15-0880	<b>Date:</b> February 27, 2015
<b>Prime Sponsor(s):</b> Sen. Steadman Rep. Rankin	<b>Bill Status:</b> Senate Appropriations <b>Fiscal Analyst:</b> Greg Sobetski (303-866-4105)

---

**BILL TOPIC:** REPEAL CONSOLIDATED TOBACCO PROG REPORTING REQMNTS

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
Cash Funds	(\$25,000)	(\$25,000)
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

**Summary of Legislation**

This bill, **recommended by the Joint Budget Committee**, repeals current law requiring the State Board of Health (board) and the Department of Public Health and Environment (CDPHE) to monitor programs receiving funding from the state's annual Tobacco Master Settlement Agreement (MSA) payment. Under current law, CDPHE is required to prepare a Tobacco MSA Programs Annual Report (report) summarizing funding and operations of MSA programs and evaluating their effectiveness. The bill repeals the statute requiring the report, as well as the requirement that the Joint Budget Committee and the House and Senate Health and Human Services Committees meet to review the report.

**Background**

The Tobacco MSA was signed in 1998 by 46 states, including Colorado. As part of the agreement, states consented to release participating tobacco manufacturers from health-related claims associated with the use, manufacture, and marketing of tobacco products in return for perpetual annual payments from the manufacturers.

Since 2001, the CDPHE has prepared a report summarizing the funding and operations of each state program that receives funding from the annual MSA payment. In the report for FY 2013-14, dated January 15, 2015, the board recommended that the report be eliminated.

### **State Expenditures**

**Cash Fund expenditures will decrease by \$25,000 in FY 2015-16 and FY 2016-17.** Costs associated with the production of the report totaled \$25,000 for FY 2014-15. Because the report will no longer be required, it is assumed that these costs will not be incurred for FY 2015-16 and subsequent years.

Because state agencies housing MSA programs must continue to collect information on these programs in order to comply with audit requirements, it is assumed that monitoring and reporting costs incurred by agencies other than the CDPHE will not be reduced.

### **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

### **State and Local Government Contacts**

Education  
Higher Education  
Joint Budget Committee  
Military and Veterans Affairs  
Public Health and Environment

Health Care Policy and Financing  
Human Services  
Law  
Personnel  
State Auditor