

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

UNEDITED  
UNREVISED  
DRAFT  
5.16.20

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LLS NO. 20-1187.02 Jason Gelender x4330

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "MoveTobacco Litig Settlement Money To General Fund"

**A BILL FOR AN ACT**

101 **CONCERNING THE REDIRECTION OF A PORTION OF TOBACCO**  
102 **LITIGATION SETTLEMENT MONEYS TO THE GENERAL FUND.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill redirects a portion of tobacco litigation settlement moneys (settlement moneys) to the general fund for state fiscal year 2020-21 by:

- Removing \$2,000,130 of settlement moneys received in excess of projections during state fiscal year 2019-20 from the base amount used to calculate the statutory allocations

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

- of settlement moneys to various programs;
- Reducing the statutory allocations of settlement moneys:
  - For the tobacco settlement defense account of the tobacco litigation settlement cash fund (litigation account) from 2.5% of 0.75% of the settlement moneys; and
  - For the state dental loan repayment program by \$160,717;
- Requiring all settlement moneys received during state fiscal year 2019-20 that are not allocated for state fiscal year 2020-21 under the modified statutory allocation formula to be transferred to the general fund on July 1, 2020.
- Requiring additional July 1, 2020, transfers to the general fund of settlement moneys previously credited to cash funds that receive statutory allocations of settlement moneys as follows:
  - \$8 million from the litigation account;
  - \$4.2 million from the nurse home visitor program fund; and
  - \$3 million from the Colorado state veterans trust fund.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 24-22-115, **amend**  
3 (2)(b) as follows:

4           **24-22-115. Tobacco litigation settlement cash fund - health**  
5 **care supplemental appropriations and overexpenditures account -**  
6 **creation.** (2) (b) (I) All ~~moneys~~ MONEY in the tobacco settlement defense  
7 account ~~shall be~~ IS subject to annual appropriation by the general  
8 assembly to the department of law and the department of revenue.  
9 Notwithstanding the provisions of subsection (1) of this section AND  
10 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(b)(II) OF THIS  
11 SECTION, at the end of any fiscal year, all unexpended and unencumbered  
12 ~~moneys~~ MONEY and all ~~moneys~~ MONEY not appropriated for the following  
13 fiscal year in the tobacco settlement defense account remain in the

1 tobacco settlement defense account to be used for the purposes set forth  
2 in this subsection (2).

3 (II) ON JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER  
4 EIGHT MILLION DOLLARS FROM THE TOBACCO LITIGATION SETTLEMENT  
5 DEFENSE ACCOUNT TO THE GENERAL FUND.

6 **SECTION 2.** In Colorado Revised Statutes, 24-75-1104.5,  
7 **amend** (1.7) introductory portion, (1.7)(i), and (1.7)(m); and **add** (1.8) as  
8 follows:

9 **24-75-1104.5. Use of settlement moneys - programs.**  
10 (1.7) Except as otherwise provided in subsections (1.3), **(1.8)** and (5) of  
11 this section, and except that disputed payments received by the state in the  
12 2015-16 fiscal year or in any year thereafter are excluded from the  
13 calculation of allocations under this subsection (1.7), for the 2016-17  
14 fiscal year and for each fiscal year thereafter, the following programs,  
15 services, and funds shall receive the following specified percentages of  
16 the total amount of settlement moneys received by the state in the  
17 preceding fiscal year:

18 (i) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1.7)(i)(II)  
19 OF THIS SECTION, the tobacco settlement defense account of the tobacco  
20 litigation settlement cash fund created in section 24-22-115 (2)(a) shall  
21 receive two and one-half percent of the settlement moneys;

22 (II) FOR THE 2020-21 FISCAL YEAR, THE TOBACCO SETTLEMENT  
23 DEFENSE ACCOUNT OF THE TOBACCO LITIGATION SETTLEMENT CASH FUND  
24 SHALL RECEIVE SEVENTY-FIVE ONE-HUNDREDTHS PERCENT OF THE  
25 SETTLEMENT MONEYS;

26 (m) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION  
27 (1.7)(m)(II) OF THIS SECTION, the state dental loan repayment program

1 created in article 23 of title 25 ~~C.R.S.~~, shall receive one percent of the  
2 settlement moneys;

3 (II) FOR THE 2020-21 FISCAL YEAR, THE STATE DENTAL LOAN  
4 REPAYMENT PROGRAM SHALL RECEIVE ONE PERCENT OF THE SETTLEMENT  
5 MONEYS LESS ONE HUNDRED SIXTY THOUSAND SEVEN HUNDRED  
6 SEVENTEEN DOLLARS; and

7 (1.8) (a) FOR THE 2020-2021 FISCAL YEAR, THE TOTAL AMOUNT OF  
8 SETTLEMENT MONEYS RECEIVED BY THE STATE IN THE PRECEDING FISCAL  
9 YEAR SHALL BE REDUCED BY TWO MILLION DOLLARS BEFORE THE  
10 CALCULATION OF ALLOCATIONS UNDER SUBSECTION (1.7) OF THIS  
11 SECTION.

12 (b) ON JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER ALL  
13 SETTLEMENT MONEYS RECEIVED DURING THE 2019-20 FISCAL YEAR THAT  
14 ARE NOT ALLOCATED UNDER SUBSECTION (1.7) OF THIS SECTION TO THE  
15 GENERAL FUND.

16 **SECTION 3.** In Colorado Revised Statutes, 25-23-104, **amend**  
17 (2) as follows:

18 **25-23-104. Dental loan repayment fund - acceptance of grants**  
19 **and donations.** (2) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION  
20 (2)(b) OF THIS SECTION, pursuant to ~~section 24-75-1104.5 (1.7)(m), C.R.S.~~  
21 SECTION 24-75-1104.5 (1.7)(m)(I), for fiscal year 2016-17 and for each  
22 fiscal year thereafter so long as the state receives ~~moneys~~ MONEY  
23 pursuant to the master settlement agreement, the state treasurer shall  
24 transfer to the state dental loan repayment fund one percent of the ~~moneys~~  
25 MONEY received by the state pursuant to the master settlement agreement  
26 for the preceding fiscal year.

27 (b) PURSUANT TO SECTION 24-75-1104.5 (1.7)(m)(II), for fiscal

1 year 2020-21, the state treasurer shall transfer to the state dental loan  
2 repayment fund one percent of the money received by the state pursuant  
3 to the master settlement agreement less one hundred sixty thousand seven  
4 hundred seventeen dollars.

5 (c) The state treasurer shall transfer the amount specified in ~~this~~  
6 ~~subsection (2)~~ SUBSECTION (2)(a) OR (2)(b) OF THIS SECTION from ~~moneys~~  
7 MONEY credited to the tobacco litigation settlement cash fund created in  
8 section 24-22-115. ~~C.R.S. Moneys~~ MONEY in the fund ~~are~~ IS subject to  
9 annual appropriation by the general assembly for the purposes of this  
10 ~~article~~ ARTICLE 23. The amount appropriated pursuant to this subsection  
11 (2) is in addition to and not in replacement of any general fund ~~moneys~~  
12 MONEY appropriated to the state dental loan repayment fund.

13 **SECTION 4.** In Colorado Revised Statutes, 26-6.4-107, **amend**  
14 (2)(b) as follows:

15 **26-6.4-107. Selection of entities to administer the program -**  
16 **grants - nurse home visitor program fund - created.** (2) (b) (I) Grants  
17 awarded pursuant to subsection (2)(a) of this section are payable from the  
18 nurse home visitor program fund, which fund is hereby created in the  
19 state treasury. The nurse home visitor program fund, referred to in this  
20 section as the "fund", is administered by the state department and consists  
21 of money transferred thereto by the state treasurer from money received  
22 pursuant to the master settlement agreement in the amount described in  
23 subsection (2)(d) of this section. In addition, the state treasurer shall  
24 credit to the fund any public or private gifts, grants, or donations received  
25 by the state department to implement the program, including any money  
26 received from the United States federal government for the program. The  
27 fund is subject to annual appropriation by the general assembly to the

1 state department for grants to entities for operation of the program. The  
2 state department may retain the amount needed to pay for the program's  
3 share of the state department's indirect costs, as calculated under the  
4 federally approved cost allocation plan. In addition, the state department  
5 may retain a total of up to five percent of the amount annually  
6 appropriated from the fund for the program, in order to compensate the  
7 health sciences facility pursuant to section 26-6.4-105 (3), as set forth in  
8 the scope of work in the agreement between the state department and the  
9 health sciences facility, and to compensate the state department for the  
10 actual costs the state department incurs in implementing subsection  
11 (2)(a.5) of this section, as determined by the state department; except that  
12 the portion of the costs to compensate the state department for  
13 implementing subsection (2)(a.5) of this section shall not exceed two  
14 percent of the amount annually appropriated from the fund for the  
15 program, and the portion of such costs to compensate the health sciences  
16 facility under section 26-6.4-105 (3), as set forth in the scope of work in  
17 the contract between the state department and the health sciences facility,  
18 shall not exceed three percent of the amount annually appropriated from  
19 the fund for the program. In addition, if the total amount annually  
20 appropriated from the fund for the program exceeds nineteen million  
21 dollars, the state department and the health sciences facility shall assess  
22 whether a smaller percentage of the appropriated funds exceeding  
23 nineteen million dollars is adequate to cover their actual costs and shall  
24 jointly submit to the general assembly a report articulating their  
25 conclusions on this subject. The actual costs of the state department  
26 include state department personnel and operating costs and any necessary  
27 transfers to the department of health care policy and financing for

1 administrative costs incurred for the medicaid program associated with  
2 the program. The actual costs of the health sciences facility include the  
3 facility's own actual program costs and those of its contractors and  
4 subcontractors. Any costs for time studies required to obtain medicaid  
5 reimbursement for the program may be paid from program funds and are  
6 not subject to the five percent limit in this section. Notwithstanding  
7 section 24-36-114, all interest derived from the deposit and investment of  
8 money in the fund shall be credited to the fund. EXCEPT AS OTHERWISE  
9 PROVIDED IN SUBSECTION (2)(b)(II) OF THIS SECTION, all unexpended and  
10 unencumbered money in the fund at the end of any fiscal year remains in  
11 the fund and shall not be transferred to the general fund or any other fund.

12 (II) ON JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER  
13 FOUR MILLION TWO HUNDRED THOUSAND DOLLARS FROM THE FUND TO  
14 THE GENERAL FUND.

15 **SECTION 5.** In Colorado Revised Statutes, 28-5-709, **amend**  
16 (1)(c) as follows:

17 **28-5-709. Colorado state veterans trust fund - created - report.**

18 (1) (c) (I) The division may retain up to five percent of the amount  
19 annually appropriated from the trust fund for the actual costs incurred by  
20 the division and the board in implementing the provisions of this article.  
21 Notwithstanding the provisions of section 24-36-114, ~~C.R.S.~~, all interest  
22 derived from the deposit and investment of ~~moneys~~ MONEY in the trust  
23 fund shall be credited to the trust fund. EXCEPT AS OTHERWISE PROVIDED  
24 IN SUBSECTION (1)(c)(II) OF THIS SECTION, all unexpended and  
25 unencumbered ~~moneys~~ MONEY remaining in the trust fund at the end of  
26 any fiscal year shall remain in the trust fund and shall neither revert to the  
27 general fund nor be transferred to the tobacco litigation settlement trust

1 fund created in section 24-22-115.5, ~~C.R.S.~~, nor be transferred or credited  
2 to any other fund.

3 (II) ON JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER  
4 THREE MILLION DOLLARS FROM THE TRUST FUND TO THE GENERAL FUND.

5 **SECTION 6. Safety clause.** The general assembly hereby finds,  
6 determines, and declares that this act is necessary for the immediate  
7 preservation of the public peace, health, or safety.