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Fiscal Note

Drafting Number: LLS 24-0989 Date: February 5, 2024
Prime Sponsors: Rep. Bird; Sirota Bill Status: House Appropriations
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Bill Topic: AUTISM TREATMENT FUND

Summary of Fiscal Impact:
State Revenue [ ] State Transfer [x] Local Government [ ]
State Expenditure [x] TABOR Refund [ ] Statutory Public Entity [ ]

The bill discontinues transfers to the Autism Treatment Fund in the current FY 2023-24 and FY 2024-25 and transfers any remaining money in the fund to the Tobacco Litigation Settlement Cash Fund. Repealing these transfers increases unallocated tobacco settlement revenue in FY 2023-24 and FY 2024-25 only.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2023-24 supplemental budget package.

Table 1
State Fiscal Impacts Under HB 24-1208

Table with 4 columns: Category, Current Year FY 2023-24, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures, Transfers (Autism Treatment Fund, Tobacco Settlement Cash Fund), Net Transfer, and Other Budget.

1 The Autism Treatment Fund was repealed by Senate Bill 23-289; however, the 2 percent transfer of tobacco settlement revenue to the fund (estimated to be approximately \$1.8 million) is still in current law through FY 2024-25. The fiscal note reflects the repeal of this transfer for informational purposes, even though it cannot be made by the State Treasurer. This amount represents unallocated tobacco settlement revenue available for other uses.

## **Summary of Legislation**

The bill discontinues transfers to the Autism Treatment Fund after FY 2022-23, as the fund was repealed in 2023. These transfers from tobacco master settlement revenue are scheduled to continue under current law in FY 2023-24 and FY 2024-25. On June 30, 2024, the bill transfers any remaining funds in the Autism Treatment Fund as of its repeal to the Tobacco Litigation Settlement Cash Fund.

## **Background**

**Autism Treatment Fund.** The fund was created to cover costs of services provided to eligible children. The fund receives a transfer of 2 percent of the tobacco settlement revenue annually. The Autism Treatment Fund was eliminated by Senate Bill 23-289 with the costs of covered autism services instead paid from the General Fund.

**Tobacco revenue.** Colorado receives annual TABOR-exempt tobacco revenue to recover state expenses incurred for the treatment of tobacco-related illnesses. Initially, spending on programs funded by this revenue were based on the revenue received in the prior fiscal year. During the 2009 recession, the General Assembly borrowed against tobacco revenue to increase the amount of General Funds available for programs, allowing the tobacco revenue received each April to fund programs in both the current fiscal year it is received and the following year. This has created an ongoing annual General Fund obligation, or accelerated payment, to fund programs that are funded by tobacco revenue between the date when the revenue is exhausted and when the current year's revenue arrives. Prior to the COVID-19 pandemic, the General Assembly had taken steps to gradually reduce the size of this obligation on the General Fund. However, the General Assembly again increased the accelerated payment as a budget-balancing measure during the pandemic-induced recession.

## **State Transfers**

The bill repeals a transfer of approximately \$1.8 million to the Autism Treatment Fund from tobacco settlement revenue in the current FY 2023-24 and in FY 2024-25. Transfer amounts are estimates only and actual allocation depends on the tobacco revenue that the state receives each April. Given that the Autism Treatment Fund has already been repealed, the current law transfers cannot occur and the estimated amount of the transfer represents unallocated tobacco revenue that may be used for other purposes.

The bill also transfers of any remaining moneys in the Autism Treatment Fund at the time of its repeal to the Tobacco Litigation Settlement Cash Fund in the current FY 2023-24. At this time, the estimated fund balance is not available but is assumed to be minimal.

## **State Expenditures**

By repealing the transfers and increasing the amount of unallocated tobacco settlement revenue, the bill may reduce the size of future accelerated payments from the General Fund.

**Effective Date**

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

**State and Local Government Contacts**

Joint Budget Committee

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).