



Legislative Council Staff  
Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

<b>Drafting Number:</b>	LLS 21-0666	<b>Date:</b>	September 20, 2021
<b>Prime Sponsors:</b>	Rep. McCormick; Will Sen. Simpson; Winter	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:**                   **AGRICULTURAL SOIL HEALTH PROGRAM**

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates the Soil Health Program and the Soil Health Advisory Committee in the Department of Agriculture. It increases state expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2021-22, the bill requires and includes an appropriation of \$4,464 to the Department of Agriculture.

**Fiscal Note Status:** The fiscal note reflects the enacted bill.

**Table 1**  
**State Fiscal Impacts Under HB 21-1181**

		Budget Year FY 2021-22	Out Year FY 2022-23
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$4,464	\$4,464
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

This bill creates the Soil Health Program and the Soil Health Advisory Committee in the Department of Agriculture (CDA).

**Soil Health Program.** Prior to establishing the program, the CDA must give the public at least 45 days to comment after posting a public notice on its website. In consultation with the advisory committee, the CDA will establish the following, if financial resources are available:

- a grant program for eligible entities to engage in soil health activities;
- a system for monitoring the environmental or economic benefits of soil health practices;
- a state soil health inventory and platform;
- a soil health testing program; and
- other programs to promote soil health practices.

The CDA is authorized to seek, accept, and expend gifts, grants, or donations including federal funds, to fund the program. All programs are to be voluntary and incentive based. By January 31 of each year, the CDA is required to prepare and make available to the public a report of its activities. The CDA is required to report on gifts, grants, and donations as part of its SMART Act hearing. Program records associated with private lands that identify landowners, land managers, agricultural producers or parcels of land are to be kept confidential.

**Soil Health Advisory Committee.** The Commissioner of Agriculture is required to appoint at least nine members to the advisory committee who represent different geographic areas and demographic diversity of the state and reflect the political diversity of the state, as much as possible. Committee members serve without compensation but may be reimbursed for actual and necessary travel and other actual expenses. The commissioner is also required to appoint ex-officio members from the:

- Colorado Water Conservation Board;
- Natural Resources Conservation Service in the United States Department of Agriculture; and
- Colorado State University.

The advisory committee repeals September 1, 2031, after a sunset review.

## Background

Colorado's 76 conservation districts represent private landowners' interests in conservation planning and practices. The CDA currently distributes \$708,767 in General Fund to the conservation districts for soil health work. This funding is used to support local capacity, technical assistance for landowners and on-the-ground regenerative agricultural activities.

## Assumptions

The fiscal note assumes that the CDA and the advisory committee will develop the Soil Health Program during FY 2021-22, and request any necessary funding through the annual budget process.

## State Revenue

The bill may increase state revenue from gifts, grants, and donations but no source of these funds has been identified. This revenue is not subject to TABOR.

## State Expenditures

The bill increases General Fund expenditures by \$4,464 in the Department of Agriculture for FY 2021-22 and FY 2022-23. This funding covers the expenses of the advisory committee and assumes nine members will meet four times per year with a reimbursement of \$124 per person, per meeting. Advisory committee members who are employees of state agencies or institutions of higher education will have an increase in workload that does not require additional appropriations.

The bill will also increase workload for the CDA to work with the advisory committee in developing the soil health program and in seeking gifts, grants, and donations to fund the program. This workload can be accomplished within existing appropriations. Should gifts, grants, and donations, or federal funding, become available to implement the soil health program, it is assumed that the CDA can begin implementing the voluntary program without future action by the General Assembly.

## Effective Date

The bill was signed into law by the Governor on June 21, 2021, and took effect on September 7, 2021.

## State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$4,464 to the Department of Agriculture.

## State and Local Government Contacts

Agriculture

Information Technology

Natural Resources