



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

---

<b>Drafting Number:</b>	LLS 23-0631	<b>Date:</b>	February 16, 2023
<b>Prime Sponsors:</b>	Rep. Mauro; Winter T. Sen. Hinrichsen; Simpson	<b>Bill Status:</b>	House Agriculture
		<b>Fiscal Analyst:</b>	Alexa Kelly   303-866-3469 alex.kelly@coleg.gov

---

<b>Bill Topic:</b>	<b>AGRICULTURAL PRODUCTS INSPECTION CASH FUND RESERVE</b>
--------------------	---

---

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

The bill excludes the Agricultural Products Inspection Cash Fund from the limitations of uncommitted reserves and allows for an uncommitted balance of up to 50 percent of the amount spent during the fiscal year. It minimally impacts state revenue beginning in FY 2023-24.

---

<b>Appropriation Summary:</b>	No appropriation is required.
-------------------------------	-------------------------------

---

<b>Fiscal Note Status:</b>	The fiscal note reflects the introduced bill.
----------------------------	---

---

## Summary of Legislation

Under current law, certain cash funds may not have more than 16.5 percent of uncommitted funds remaining in the fund at the end of each state fiscal year based on the amount spent in the fiscal year. The bill exempts the Agricultural Products Inspection Cash Fund in the Department of Agriculture from this limit and creates a limit of 50 percent of uncommitted funds based on the amount spent during the fiscal year.

## Background

The Department of Agriculture's Fruit and Vegetable Inspection Program is funded through fees deposited into the Agricultural Products Inspection Cash Fund. The program works under cooperative agreement with the United States Department of Agriculture to perform mandatory and non-mandatory inspections under state and federal law, and upon request.

## State Revenue

Inspection fees are based on the amount of products inspected each year. Under current law, in years with more inspections, fees are lowered so that the cash fund does not exceed the uncommitted reserve balance of 16.5 percent. In years with fewer inspections, fees are raised to cover the costs of the inspection process. This bill allows the Fruit and Vegetable Inspection program to set and hold fees in a more stable manner across years. While this may result in cash fund revenue changes in any given fiscal year, the bill is not expected to cause an overall increase or decrease in state revenue. Any potential change in fee structure has not estimated.

## Effective Date

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

## State and Local Government Contacts

Agriculture

Personnel