



Legislative Council Staff

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Final Fiscal Note

Drafting Number:	LLS 23-0439	Date:	June 28, 2023
Prime Sponsors:	Sen. Simpson; Roberts Rep. Holtorf; McCormick	Bill Status:	Signed into Law
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Bill Topic: **ELIGIBILITY FOR AGRICULTURAL FUTURE LOAN PROGRAM**

Summary of Fiscal Impact:

<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

The bill expands the definition of different eligible entities for the Colorado Agricultural Future Loan Program. It increases state expenditures beginning in FY 2023-24.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

The bill expands eligibility criteria for the existing Colorado Agricultural Future Loan Program. The program, currently scheduled to repeal January 2, 2025, is continued indefinitely.

Background

Senate Bill 21-248 created the Colorado Agricultural Future Loan Program in the Department of Agriculture and the continuously appropriated Colorado Agricultural Future Loan Program Cash Fund, which received a \$30.0 million General Fund transfer in FY 2020-21. The department may distribute money from the Colorado Agricultural Future Loan Program Cash Fund to financial entities to award farm-to-market infrastructure loans to eligible applicants.

As of January 2023, the program has issued \$5.9 million in loans for farm-to-market infrastructure projects and \$10.1 million in farmer and rancher loans.

State Revenue and Expenditures

The bill increases workload in the Department of Agriculture to the extent that expanding loan eligibility results in the department receiving additional applications. This additional workload is expected to be minimal.

Making the loan program permanent will increase state revenue and expenditures in FY 2024-25 and future years from additional loan disbursements from, and repayments to, the Colorado Agricultural Future Loan Program Cash Fund. Revenue from interest earned on repaid loans is subject to TABOR. The amount and timing of future loan disbursements and repayments will depend on decisions made by the department, financial service providers, and the terms of specific loans. These impacts have not been estimated.

Effective Date

The bill was signed into law by the Governor on March 22, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State and Local Government Contacts

Agriculture

Law