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REVISED FISCAL NOTE

(replaces fiscal note dated January 12, 2018)

Drafting Number: LLS 18-0336 Date: January 24, 2018
Prime Sponsors: Sen. Sonnenberg Bill Status: Senate Appropriations
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Bill Topic: ANIMAL FEEDING OPERATION PERMITS CONTINUATION

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

This bill extends temporary fee increases for animal feeding operation permits that are set to repeal on June 30, 2018. Fee revenue and expenditures are increased through FY 2024-25.

Appropriation Summary: The bill requires an appropriation of \$14,323 to the Colorado Department of Public Health and Environment.

Fiscal Note Status: This fiscal note has been revised to reflect new information.

Table 1
State Fiscal Impacts Under SB 18-033

Table with 4 columns: Category, Sub-category, FY 2018-19, FY 2019-20. Rows include Revenue (Cash Funds: \$242,401), Expenditures (Cash Funds: \$14,323), and Transfers (-).

Summary of Legislation

This bill extends temporary higher fees for concentrated animal feeding operations (CAFOs) and housed commercial swine feeding operations (HCSFOs) collected by the Colorado Department of Public Health and Environment (CDPHE), Water Quality Division from June 30, 2018, to June 30, 2025. Funds are used for permitting and oversight of these operations.

Background

Fees for CAFOs and HCSFOs were increased temporarily under House Bill 09-1330 and the increases were continued under HB15-1249. The Animal Feeding Operations Cash Fund spending authority for FY 2017-18 is \$445,905 and 3.4 FTE. Without the fee increase, base revenue is estimated to be \$209,168 per year. In its 2018-19 budget request, CDPHE has proposed using \$222,414 from its fund balance, which will account for a total of \$431,582 in spending authority leaving the program underfunded relative to revenue collected under the bill by \$14,323.

State Revenue

This bill increases cash fund revenue from fees by \$242,401 beginning in FY 2018-19 through FY 2024-25 to the Animal Feeding Operations Fund in CDPHE.

Fee impact on CAFOs and HCSFOs. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are set in the bill. Table 2 below identifies the fee impact of this bill.

**Table 2
Fee Impact on CAFOs and HCSFOs**

Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
CAFO General Permit	\$750	86	\$64,500
CAFO Permitted Animal	\$0.09	1,421,833	\$127,965
CAFO Individual Permit	\$1,500	1	\$1,500
CAFO Unpermitted Animal	\$0.09	34,020	\$3,062
Registered CAFO	\$0.06	758,237	\$45,494
HCSFO Annual Permit Fee	\$0.26	804,031	\$209,048
<i>Less Revenue Under Current Law</i>			(\$209,168)
		Fiscal Year Total	\$242,401

TABOR Refund

The bill increases state revenue subject to TABOR by \$242,401 in FY 2018-19 and FY 2019-20. State revenue is not currently expected to exceed the TABOR limit in either year and no refund is required. Therefore, the bill is not expected to impact TABOR refunds in these years. However, refunds in future years when the state next collects a TABOR surplus will be increased.

State Expenditures

As noted in the background section, the Animal Feeding Operations Cash Fund will be underfunded by \$14,323 under current law. To spend the additional revenue generated under this bill, the CDPHE requires an appropriation for \$14,323.

Effective Date

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

State Appropriations

For FY 2018-19, the bill requires an appropriation of \$14,323 to the Colorado Department of Public Health and Environment from the Animal Feeding Operations Fund.

State and Local Government Contacts

Information Technology

Public Health and Environment