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Final Fiscal Note

Drafting Number: LLS 24-1173 Date: June 27, 2024
Prime Sponsors: Rep. Duran; Armagost Bill Status: Signed into Law
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Bill Topic: CREATE DIVISION OF ANIMAL WELFARE IN DEPARTMENT OF AGRICULTURE

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

The bill creates the Division of Animal Welfare in the Colorado Department of Agriculture. It increases state expenditures beginning FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires and includes a net increase in appropriations of \$200,000 to the Department of Agriculture.

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

Table 1
State Fiscal Impacts Under HB 24-1458

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill creates the Division of Animal Welfare in the Colorado Department of Agriculture (CDA), the head of which is the division director. The division is a Type 2 entity. The State Bureau of Animal Protection (BAP) is moved under the new division from the Animal Industry Division. The division is tasked with promoting domestic animal welfare, including providing education and outreach, creating voluntary programs, and awarding grants.

State Expenditures

The bill creates a new division with the CDA, which will result in additional costs for outreach and grants by about \$200,000 per year from FY 2024-25 to FY 2026-27, as well as a transfer of existing funding within the CDA from other divisions. In total, \$664,630 General Fund is appropriated to CDA for use by the Division of Animal Welfare. These impacts are described below.

New expenses. The bill increases state expenditures in the CDA by \$200,000 per year for three years, from FY 2024-25 through FY 2026-27, paid from the General Fund, to stand-up new programs related to animal welfare through education, outreach, and grant administration.

Transfer and use of existing funding. Creation of the new division will require an operational transfer, made via appropriation, from the Animal Industry Division to the new Division of Animal Welfare of approximately \$464,630 General Fund and 2.8 FTE beginning FY 2024-25. In addition, CDA received an additional \$1,055,647 General Fund and 5.7 FTE through House Bill 24-1430 (the Long Bill) to create and staff the division, including \$560,647 and 2.7 FTE for FY 2024-25 only, and \$495,000 and 3.0 FTE in ongoing base funding.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill was signed into law by the Governor on May 30, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill includes the following General Fund appropriations:

- a decrease of \$464,630 and 2.8 FTE from the Animal Industry Division; and
- an increase of \$664,630 and 2.8 FTE to the Division of Animal Welfare.

State and Local Government Contacts

Agriculture

Information Technology

Law

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](#).