



**Colorado  
Legislative  
Council  
Staff**

**HB16-1124**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0697  
**Prime Sponsor(s):** Rep. Navarro

**Date:** February 2, 2016  
**Bill Status:** House Agriculture  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**BILL TOPIC:** REGISTERED EQUINE BRAND INSPECTIONS

<b>Fiscal Impact Summary</b>	<b>FY 2016-2017</b>	<b>FY 2017-2018</b>
<b>State Revenue</b> Cash Funds	Revenue reduction.	
<b>State Expenditures</b> Cash Funds	Workload and expenditure reduction.	Possible expenditure reduction.
<b>TABOR Impact</b>	Reduction.	
<b>FTE Position Change</b>		Possible reduction.
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Ongoing workload reduction and possible expenditure reduction.		

**Summary of Legislation**

This bill exempts registered horses from brand inspection requirements.

**Background**

Under current law, brand inspections are required prior to:

- sale or transfer of ownership of the livestock;
- transportation of livestock over 75 miles within the state of Colorado;
- transportation from Colorado to a destination out of state; and
- sale at a licensed Colorado livestock market.

In FY 2014-15, the Department of Agriculture inspected 30,202 horses which generated \$507,740 in revenue. The department does not collect information on whether a horse is registered and there are 113 horse breed associations in which a horse may be registered. Twenty brand inspectors are located in five districts and inspect horses, cattle, mules, and donkeys, as well as alternative livestock, which includes domestic elk and fallow deer.

## **State Revenue**

This bill may substantially reduce revenue from brand inspections to the Brand Inspection Cash Fund. The amount of reduction will depend on the number of registered horses that would have required a brand inspection. If all horses are registered, revenue will be reduced by approximately \$500,000 annually.

## **TABOR Impact**

This bill reduces state revenue from fees, which will reduce the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

## **State Expenditures**

This bill will reduce workload for brand inspectors in the Department of Agriculture. Based on revenue collected, equine brand inspections in FY 2014-15 represented 22 percent of brand inspection workload. Depending on the percentage of horses that are registered, or become registered, and the location of the horses, a reduction in staffing and appropriations may be necessary. Given that sufficient information is not available at this time to determine the size of the workload reduction, changes can be addressed through the annual budget process for FY 2017-18.

## **Effective Date**

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Agriculture      Information Technology