



Legislative  
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**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-0336	<b>Date:</b>	July 31, 2018
<b>Prime Sponsors:</b>	Sen. Sonnenberg Rep. Arndt; Becker J.	<b>Bill Status:</b>	Signed into Law
		<b>Fiscal Analyst:</b>	Clare Pramuk   303-866-2677 Clare.Pramuk@state.co.us

**Bill Topic:** ANIMAL FEEDING OPERATION PERMITS CONTINUATION

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input checked="" 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

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 reflects the enacted bill.

**Table 1  
State Fiscal Impacts Under SB 18-033**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>	Cash Funds	\$242,401	\$242,401
<b>Expenditures</b>	Cash Funds	\$14,323	\$14,323
<b>Transfers</b>		-	-
<b>TABOR Refund</b>	General Fund	\$242,401	\$242,401

**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**

<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
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)
		<b>Fiscal Year Total</b>	<b>\$242,401</b>

**TABOR Refund**

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount. State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

**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 was signed into law by the Governor and took effect on May 29, 2018.

**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