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FISCAL NOTE

Drafting Number: LLS 18-1170 **Date:** April 6, 2018
Prime Sponsors: Sen. Martinez Humenik **Bill Status:** Senate Agriculture
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Bill Topic: PET ANIMAL CARE FACILITIES ACT PACFA CONTINUATION

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

This bill extends indefinitely the Pet Animal Care Facilities Act and eliminates further sunset reviews. It reduces workload in FY 2017-18 and FY 2018-19 to complete the next sunset review and creates an ongoing state revenue and expenditure increase beginning in FY 2020-21.

Appropriation Summary: No appropriation is required.

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

**Table 1
State Fiscal Impacts Under SB 18-227**

		FY 2018-19	FY 2019-20	FY 2020-21
Revenue	Cash Funds			\$1,160,517
Expenditures	Cash Funds			\$915,357
	Total FTE			8.5 FTE
Transfers		-	-	-
TABOR Refund	General Fund	-	-	*

*State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

Summary of Legislation

This bill extends indefinitely the Pet Animal Care Facilities Act (PACFA) in the Department of Agriculture (CDA) and eliminates further sunset reviews including the review currently underway. The PACFA is set to repeal on September 1, 2019, following a sunset review by the Department of Regulatory Agencies.

Background

PACFA. Under the PACFA, the Commissioner of Agriculture regulates pet animal breeders, groomers, trainers, boarders, shelters, rescues, and sellers. Pet animals include dogs, cats, rabbits, guinea pigs, hamsters, mice, rats, gerbils, ferrets, birds, fish, reptiles, amphibians, and invertebrates. The commissioner promulgates rules pertaining to minimum standards of physical facility, sanitation, ventilation, temperature, humidity, spacial and enclosure requirements, nutrition, humane care, and medical treatment. The Division of Animal Industry in the CDA conducts four types of inspections: pre-license, routine, complaint-based, and follow up. When violations are noted during an inspection, licensees are expected to correct them. If a licensee commits enough violations, disciplinary action can be taken.

For FY 2017-18, the PACFA Program had an annual revenue of \$1,077,655, expenditures of \$804,414, and 8.5 FTE. PACFA license fees are set in rule and capped in statute.

Sunset provisions. Under current law, the PACFA is undergoing a sunset review that will be completed in FY 2018-19. The General Assembly may choose to run a bill to act on any or all recommendations from that review. The fiscal note for that bill will show the revenue and expenditures as continuing revenue and expenditures beginning in FY 2020-21. If such a bill does not pass, the PACFA will have 12 months after September 1, 2019, to wind down its operations. Passage of Senate Bill 18-227 will have the same effect in terms of continuing revenue and expenditures as the hypothetical bill above.

State Revenue

Beginning in FY 2020-21, the bill increases revenue by \$1,160,517 to the Pet Animal Care and Facilities Fund. The fiscal note assumes a 2.5 percent revenue increase per year to reflect the expected growth in the number of licensees.

TABOR Refund

This bill increases state revenue from fees by \$1,160,517 beginning in FY 2020-21. State revenue subject to TABOR is not estimated for years beyond FY 2019-20. If a TABOR refund obligation occurs in FY 2020-21, this bill will increase the amount of money required to be refunded.

State Expenditures

Beginning in FY 2020-21, this bill will increase expenditures by \$915,357 and 8.5 FTE for the PACFA Program in the Department of Agriculture from Pet Animal Care and Facilities Fund. The fiscal note assumes a 2.5 percent increase in expenditures based on growth in the number of

licensees. For FY 2017-18 and FY 2018-19, the bill will reduce workload for the Department of Regulatory Agencies associated with the 2018 sunset review of the licensing of pet animal facilities. This reduction does not require a change in appropriations.

Effective Date

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

State and Local Government Contacts

Agriculture Regulatory Agencies