



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 20-0509      **Date:** February 21, 2020  
**Prime Sponsors:** Rep. Buentello; Pelton      **Bill Status:** House Rural Affairs  
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**Bill Topic:**                      **SUNSET COLORADO SEED ACT**

**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

**Sunset bill.** This bill continues the Commissioner of Agriculture's regulation of the Colorado Seed Act, which is scheduled to repeal on July 1, 2020. State fiscal impacts include both increased revenue from changes to the program under the bill, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2033.

**Appropriation Summary:** No appropriation is required.

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

**Table 1**  
**State Fiscal Impacts Under HB 20-1184\***

<b>New Impacts</b>		<b>FY 2020-21</b>	<b>FY 2021-22</b>
Revenue	Cash Funds	\$37,500	\$37,500
Expenditures	Cash Funds	-	-
TABOR Refund	General Fund	\$37,500	\$37,500
<b>Continuing Program Impacts</b>		<b>FY 2020-21</b>	<b>FY 2021-22</b>
Revenue	Cash Funds	-	\$131,779
Expenditures	General Fund	-	\$98,219
	Cash Funds	-	\$126,649
<b>Total</b>		-	<b>\$224,868</b>
<b>FTE</b>		-	<b>1.7 FTE</b>
TABOR Refund		-	-

\* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

## **Summary of Legislation**

This bill continues the Commissioner of Agriculture's regulation of the Colorado Seed Act, which is scheduled to repeal on July 1, 2020. The regulatory program is continued through September 1, 2033. In addition, the bill repeals the statutory fee caps and discounts for registering multiple locations, and requires the commissioner to establish registration fees and a renewal schedule by rule.

## **Background**

The Colorado Seed Act requires containers of seed to be properly labeled unless otherwise exempt. Custom seed conditioners, farmer seed labelers, retail seed dealers, and seed labelers are required to be registered. The Department of Agriculture establishes labeling requirements, inspects seeds, and investigates complaints. It has the authority to embargo seed that is adulterated or misbranded and to take disciplinary action. The program also supports the Seed Lab at Colorado State University, which analyzes seed samples.

## **Continuing Program Impacts**

Based on the department's FY 2020-21 budget request, the Department of Agriculture is expected to have continuing revenue of \$131,779 and expenditures of \$224,868 and 1.7 FTE to administer the Colorado Seed Act. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2021-22. Although the continuing revenue is subject to the state TABOR limits, the fiscal note does not identify a change to TABOR refunds because the revenue is already accounted for in the Legislative Council Staff quarterly revenue forecast. If this bill is not enacted, the program will end on July 1, 2021, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2021-22 by the amounts shown in Table 1. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditure sections below.

## **State Revenue**

This bill will increase state revenue by \$37,500 per year beginning in FY 2020-21 to the Plant Health, Pest Control, and Environmental Cash Fund from repealing the discount for registering multiple locations. Because current revenue has not been sufficient to cover the direct and indirect costs of the program, the fiscal note assumes that the commissioner will also use her authority to increase registration fees through rulemaking. This additional revenue increase has not been estimated for the fiscal note.

## **State Expenditures**

This bill will increase workload for the CDA to gather stakeholder input, develop rate recommendations, and conduct rulemaking. This workload increase can be accomplished within existing appropriations.

**TABOR refund.** The bill is expected to increase state General Fund obligations for TABOR refunds by \$37,500 in FY 2020-21 and FY 2021-22. Under current law and the December 2019 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022, respectively. A forecast of state revenue subject to TABOR is not available beyond FY 2021-22.

## Effective Date

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

## State and Local Government Contacts

Agriculture  
Information Technology

Higher Education  
Law