



**Legislative  
Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b> LLS 20-0509	<b>Date:</b> August 10, 2020
<b>Prime Sponsors:</b> Rep. Buentello; Pelton Sen. Hisey; Donovan	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Clare Pramuk   303-866-2677 clare.pramuk@state.co.us

**Bill Topic:** **SUNSET COLORADO SEED ACT**

**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

**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 the continuation of the program's current revenue and expenditures, as well as increased revenue from raising the fee limits and a shift in existing General Fund expenditures to cash funds. The program is continued through September 1, 2031.

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

**Fiscal Note Status:** The fiscal note reflects the enacted 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	\$137,500
	<b>Total</b>	<b>\$37,500</b>	<b>\$137,500</b>
Expenditures	General Fund	-	(\$98,219)
	Cash Funds	-	\$98,219
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>
TABOR Refund		-	-
<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>-</b>	<b>\$224,868</b>
	<b>FTE</b>	<b>-</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 under increased fee limits.

## 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. The program is currently funded with a mix of cash funds and General Fund, but, as described in the State Expenditures section, will shift to cash funds only under the bill. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2021-22. 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 Expenditures sections below.

## State Revenue

This bill will increase state revenue by \$37,500 in FY 2020-21 and by \$137,500 in FY 2021-22 to the Plant Health, Pest Control, and Environmental Cash Fund. The \$37,500 increase is 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 new authority to increase registration fees through rulemaking by approximately \$100,000. The specific increase to individuals fees has not been estimated and will depend on future decisions by the commissioner.

## State Expenditures

By increasing the availability of cash fund revenue, the bill will reduce current General Fund expenditures by \$98,219 starting in FY 2021-22, and replace this with an equal amount of cash fund spending, resulting in no net change for the program. This bill will also increase workload for the CDA to gather stakeholder input, develop rate recommendations, and conduct rulemaking. This workload increase can be accomplished within existing appropriations.

**Effective Date**

The bill was signed into law by the Governor and took effect on June 29, 2020.

**State and Local Government Contacts**

Agriculture  
Information Technology

Higher Education  
Law