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Fiscal Note

Drafting Number: LLS 21-0888 Date: April 15, 2021
Prime Sponsors: Sen. Jaquez Lewis Bill Status: Senate Agriculture
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Bill Topic: STIMULUS FUNDING DEPT. OF AGRICULTURE EFFICIENCY PROGRAMS

Summary of Fiscal Impact:
State Revenue [] TABOR Refund []
State Expenditure [x] Local Government [x]
State Transfer [x] Statutory Public Entity []

This bill transfers \$3.0 million from the General Fund to the Agriculture Value-Added Cash Fund to support the Advancing Colorado's Renewable Energy and Energy Efficiency Program. It also appropriates \$2.0 million from the General Fund to the Conservation Services Division within the Department of Agriculture for voluntary soil health programs. The bill increases state expenditures through FY 2022-23.

Appropriation Summary: For FY 2020-21, the bill appropriates \$5.0 million to the Department of Agriculture.

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

Table 1
State Fiscal Impacts Under SB 21-235^1

Table with 4 columns: Category, Sub-category, Current Year FY 2020-21, Budget Year FY 2021-22, Out Year FY 2022-23. Rows include Revenue, Expenditures (General Fund, Cash Funds, Total Expenditures), Transfers (General Fund, Cash Funds, Net Transfer), and TABOR Refund.

^1 Transferred funds may be spent through FY 2021-22. General Fund appropriations may be spent through mid-FY 2022-23.

Summary of Legislation

The bill creates a one-time transfer of \$3.0 million from the General Fund to the Agriculture Value-Added Cash Fund to support the Department of Agriculture's (CDA's) ongoing Advancing Colorado's Renewable Energy and Energy Efficiency (ACRE³) program. The bill also appropriates \$2.0 million from the General Fund to the Conservation Services Division within CDA to administer voluntary soil health programs. CDA is authorized to retain up to two percent of all funding to cover administrative costs.

The voluntary soil health program created in the bill includes:

- grants for soil health activities;
- systems for monitoring the environmental or economic benefits of soil health practices;
- a state soil health inventory and platform; and
- soil health testing programs.

CDA is required to periodically report on expenditures to the Office of State Planning and Budgeting and the General Assembly and on its website, and incorporate information into its SMART Act presentations.

State Transfers

The bill creates a one-time transfer of \$3.0 million from the General Fund to the Agriculture Value-Added Cash Fund. The transfer must take place within three days after the effective date, which is assumed to fall in the current FY 2020-21.

State Expenditures

The bill will increase expenditures for the CDA by \$5.0 million between FY 2020-21 and FY 2022-23 to implement renewable energy and voluntary soil health programs. Up to 2 percent (\$100,000) of total expenditures will be used for administrative costs, leaving at least 98 percent (\$4,900,000) for other program expenditures. CDA is authorized to expend money from the Agriculture Value-Added Cash Fund through FY 2021-22. The Conservation Services Division is authorized to expend money from the General Fund on or before December 31, 2022.

Local Government

For local governments that apply for and are awarded grant funding under the ACRE³ program or voluntary soil health program, revenue and expenditures will increase.

Technical Note

House Bill 21-1242, as introduced, directs the State Treasurer to transfer all unobligated money in the Agriculture Value-Added Cash Fund to the newly created Agriculture Drought and Climate Resiliency Cash Fund on July 1, 2021, but does not currently repeal the Agriculture Value-Added Cash Fund. If that fund is repealed through HB 21-1242, this bill may require an amendment to reference that the transfer will be to a different fund within the department.

Effective Date

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

State Appropriations

For FY 2020-21, the bill appropriates to the Department of Agriculture:

- \$3.0 million from the Agriculture Value-Added Cash Fund, which is further appropriated through FY 2021-22; and
- \$2.0 million from the General Fund, which is further appropriated through December 31, 2022.

State and Local Government Contacts

Agriculture

Information Technology