

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING OPPORTUNITIES FOR VOLUNTARY EMISSION REDUCTIONS IN AGRICULTURE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Simpson and Hansen
Reps. McCormick and Soper

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendments in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/26/23.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Agriculture, Water, and Natural Resources Committee Report (05/03/23) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.019/J.004	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$4,516,267 General Fund to the Department of Agriculture for FY 2023-24 and makes that amount available to the Department through FY 2025-26. In addition, the amendment appropriates \$30,322 General Fund to the Department of Revenue for FY 2023-24. The amendment also states that the appropriation is based on the assumption that the Department of Agriculture will require an additional 1.0 FTE.

Description of Amendments in This Packet

L.019 and J.004

Bill sponsor amendment **L.019** (attached) removes sections related to the special fuel tax on biodiesel and renewable diesel and removes the annual transfer from the General Fund to the Highway Users Tax Fund to offset the previous fiscal year's tax expenditure from the special fuel tax on biodiesel and renewable diesel.

Staff has prepared amendment **J.004** (attached) to change the existing appropriations clause to appropriate a total of \$611,870 General Fund to the Department of Agriculture for FY 2023-24. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.3 FTE. The current appropriation to the Department of Revenue for FY 2023-24 remains unchanged.

If the committee adopts L.019 it should also adopt J.004.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSP) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

SB23-092

JBC Staff Analysis

This bill creates a one-time obligation and requires a General Fund appropriation of \$4,516,267 to the Department of Agriculture for FY 2023-24, reducing the \$469.0 million set aside by the same amount. The bill may result in appropriations for the grant program after FY 2025-26 but those amounts are unknown at this time. The bill also creates an ongoing obligation and requires an appropriation of \$30,322 General Fund to the Department of Revenue for FY 2023-24, reducing the \$30.0 million set aside by the same amount.

In addition, beginning in FY 2024-25, the bill requires transfers annual transfers from the General Fund to the Highway Users Tax Fund to offset the previous fiscal year's tax expenditure from the special fuel tax on biodiesel and renewable diesel. The Revised Fiscal Note estimates a necessary transfer of \$11.2 million in FY 2024-25.

If, **L.019** is adopted this bill creates an ongoing obligation and requires a General Fund appropriation of \$642,192 for FY 2023-24, reducing the \$30.0 million set aside by the same amount.