

**STATE
FISCAL IMPACT**

Drafting Number: LLS 07-0800
Prime Sponsor(s): Rep. Hodge
 Sen. Tochtrop

Date: February 23, 2007
Bill Status: House Agriculture
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TITLE: CONCERNING THE “PEST CONTROL ACT”, AND, IN CONNECTION THEREWITH, ADOPTING THE PEST CONTROL COMPACT.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue	\$ 0	\$ 0
State Expenditures		
Cash Funds –		
Fees – Department of Agriculture	(\$102,000)	(\$102,000)
Phytosanitary Inspection Fund	102,000	102,000
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: July 1, 2007.		
Appropriation Summary for FY 2007-2008: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill authorizes the commissioner of the Department of Agriculture to issue hold orders against crops or plant materials that are suspected of harboring plant pests or diseases. The hold order is intended to keep the pests or diseases from spreading and allows the Department of Agriculture to confirm the presence of the pest or disease and take measures to eliminate it.

The bill also authorizes the commissioner to do the following:

- conduct inspections and issue certificates that allow plant materials to be shipped to other states or foreign countries;
- collect inspection fees to cover direct and indirect costs of the inspection;
- deposit fees into the newly created Phytosanitary Inspection Fund;
- enter into compliance agreements with businesses that export plant materials; and
- enter into agreements with other states or federal agencies for conducting inspections and issuing certificates.

Finally, the bill approves Colorado’s entry into the Pest Control Compact. This interstate compact creates the Pest Control Insurance Fund that can be accessed by member states in specific situations. The compact also requires all member states to make the best effort to eradicate or control all pests.

State Revenue

No new state revenue is generated by this bill. Currently, the Department of Agriculture inspects crops and plant materials and collects fees for the inspections. The fees offset expenditures and are handled through a balance sheet account. In FY 2005-06, the department had \$100,046 in revenue and expenses. Fee revenue is estimated at \$102,000 in FY 2007-08 and FY 2008-09 and will be deposited in the Phytosanitary Inspection Fund, rather than being accounted for using a balance sheet account.

State Expenditures

No new state expenditures are created by this bill. Expenditures for the pest and disease inspection program in the Department of Agriculture will simply be paid from the Phytosanitary Inspection Fund. In FY 2005-06, the department had \$100,046 in revenue and expenses. Expenditures are estimated at \$102,000 in FY 2007-08 and FY 2008-09.

Background. Inspection activities generate costs in personal services, operating expenses, and travel. Roughly 2000 hours of personal services time are required to inspect plant materials, generate reports, and issue certificates. Operational expenses are similar to those of any other state employee engaged in a position requiring in-state travel. Postage costs are slightly higher to send out certifications.

The state is currently participating in the Pest Control Compact. This bill places the compact into statute, thereby ratifying membership. Compact membership dues are one-time and Colorado has paid the full amount of membership, \$12,286, over the past five years. In the future, additional membership dues could be assessed if the compact's Pest Control Insurance Fund is depleted to a point where new funds are required; however, no new dues are anticipated.

State Appropriations

This fiscal note indicates a \$102,000 cash funds appropriation from the Phytosanitary Inspection Fund in FY 2007-08 and a reduction of \$102,000 cash funds from fees. In the annual Long Bill, these fees are identified through letter notes.

Departments Contacted

Agriculture	Governor
Treasury	Judicial