

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A CERTIFICATION PROGRAM FOR CANNABIS THAT IS PESTICIDE-FREE.

Prime Sponsors: Reps. Becker K. and Singer
Senator Steadman

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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 04/13/16.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.007/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$65,640 General Fund to the Department of Agriculture for FY 2016-17. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.5 FTE. This provision also appropriates \$28,503 reappropriated funds to the Department of Law for the provision of legal services and states that such appropriation is based on the assumption that the Department will require an additional 0.2 FTE.

L.007 and J.002

Bill Sponsor amendment **L.007** (attached) changes the fund source for the startup and ongoing costs of the Organic Cannabis Certification Program to the Marijuana Cash Fund. Fees generated by the Program will be deposited in the Marijuana Cash Fund and must be set to cover the direct and indirect expenses incurred by the Department to implement this Program. Staff has prepared amendment **J.002** (attached) to add a provision appropriating

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a total of \$65,640 cash funds from the Marijuana Cash Fund to the Department of Agriculture for FY 2016-17. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.5 FTE. This provision also appropriates \$28,503 reappropriated funds to the Department of Law for the provision of legal services and states that such appropriation is based on the assumption that the Department will require an additional 0.2 FTE.

If the Committee adopts L.007, it should also adopt J.002 and it should not adopt J.001.

Points to Consider

Revenue Source

The bill, as amended by the House Public Health Care and Human Services Committee, allows the Organic Cannabis Certification Program to receive an appropriation from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S. However, the Joint Budget Committee has proposed a budget package for FY 2016-17 based on the March 2016 Legislative Council Staff revenue forecast, which includes fully allocating money in the Marijuana Tax Cash Fund anticipated to be available for appropriation for FY 2016-17. If this bill receives a Marijuana Tax Cash Fund appropriation in FY 2016-17, it would require an equivalent reduction in other Marijuana Tax Cash Fund appropriations for existing programs.

Future Fiscal Impact

The Organic Cannabis Certification Program's expenditures in FY 2017-18 and beyond will be paid from fees collected for authorizing organic certifiers. The Revised Fiscal Note indicates that the Department's proposed fee will generate \$47,250; however, the Revised Fiscal Note calculates FY 2017-18 state expenditures for this program to be \$52,277. To make up the difference, the Department will either have to set their fee higher or the program will require an additional appropriation from another fund source.