

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0695
Prime Sponsor(s): Rep. Hamner
 Sen. Schwartz

Date: June 24, 2013
Bill Status: Signed into Law
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE "COLORADO COTTAGE FOODS ACT".

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue	See State Revenue and Expenditures section.	
State Expenditures		
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect on April 4, 2013.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill amends the "Colorado Cottage Foods Act" to exempt home kitchen food producers from regulation under the "Farm Products Act." This bill allows egg producers to sell up to 250 dozen whole eggs per month without holding a dealer's license. The labels on eggs sold at a farmers' market or similar venue must include a statement that the eggs do not come from a government-approved source. Finally, the bill clarifies that rather than being certified in safe food handling and processing, home kitchen food producers must take a food safety course that includes basic food handling training and is comparable or is a course given by the Colorado State University Extension Service, or a state, county or district public health agency. Producers must maintain a status of good standing in accordance with the course requirements, including attending additional classes if necessary.

Background

The "Colorado Cottage Foods Act" allows producers of nonpotentially hazardous foods to use their home, commercial, or public kitchens to produce foods to sell directly to the ultimate consumers. Nonpotentially hazardous foods are defined in current law as any food or beverage that, when stored under normal conditions without refrigeration, will not support the rapid and progressive growth of microorganisms that cause food infections or food intoxications. The act limits these foods to spices, teas, dehydrated produce, nuts, seeds, honey, jams, jellies, preserves, fruit butter, and baked goods, including candies.

Sales must be made on the producer's premises or roadside stand, a farmers' market, community-supported agriculture organization, or similar venue where the product is sold directly to consumers. The act specifies the labeling required, including a statement that the food was produced in a home kitchen that is not subject to state licensure or inspection. Producers are encouraged to maintain liability insurance and be certified in safe food handling and processing by a third-party certifying entity.

State Revenue and Expenditures

This bill will reduce the number of egg producers licensed by the Inspection and Consumer Services Division in the Department of Agriculture and corresponding revenue from dealer's licenses, which are \$25 each. This will also reduce the workload from inspections on those egg producers. The expected minimal reduction in revenue and workload will be absorbed within existing appropriations.

Local Government Impact

The bill allows for producers to take food safety and sanitation courses offered by county or district public health agencies. This may increase attendance in those classes but is not expected to require an increase in classes offered.

Departments Contacted

Agriculture

Counties

Public Health and Environment