


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 12-0090
Prime Sponsor(s): Sen. Schwartz
 Rep. Coram

Date: June 4, 2012
Bill Status: Signed into Law
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TITLE: CONCERNING THE CREATION OF THE "COLORADO COTTAGE FOODS ACT" FOR LOCALLY PRODUCED HOME FOODS SOLD DIRECTLY TO CONSUMERS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect March 15, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See Local Government section.		

Summary of Legislation

This bill creates the "Colorado Cottage Foods Act" (Act). The 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.

The bill limits the liability of food banks that distribute food produced under the Act. It also limits the liability of schools and nonprofit organizations when their kitchens are used by producers to prepare goods for sale directly to consumers unless the school or nonprofit organization acted unreasonably.

Food products sold under the Act are subject to food sampling and inspection by the Department of Public Health and Environment or a local health agency if a consumer complaint is received or if the product is suspected in an injury or food-borne illness outbreak.

A local government is authorized to create a voluntary electronic registry of producers. The Department of Agriculture is required to promote farmers' markets within existing appropriations.

The bill expands current egg seller licensure exemptions to allow producers of less than 250 dozen eggs per month to sell on their premises, at a farmers' market, or through a community-supported agricultural organization. These egg producers are required to comply with existing egg transportation requirements and to follow specific labeling requirements.

State Expenditures

The Department of Public Health and Environment may conduct food sampling and inspection in certain cases, but these are expected to be minimal and to be addressed within existing appropriations.

Local Government Impact

This bill allows, but does not require, a county or district public health agency to register producers. The fiscal impact of the bill is conditional upon a county or district public health agency choosing to implement a registration system. A local health agency may conduct food sampling and inspection in certain cases but these are expected to be minimal. Any fiscal impact is expected to be minimal.

Departments Contacted

Agriculture

Public Health and Environment

Judicial