

**STATE and LOCAL  
FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 15-0350	<b>Date:</b> January 30, 2015
<b>Prime Sponsor(s):</b> Rep. Hamner; Willett Sen. Donovan	<b>Bill Status:</b> House Public Health Care and Human Services
	<b>Fiscal Analyst:</b> Clare Pramuk (303-866-2677)

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**BILL TOPIC:** CO COTTAGE FOODS ACT EXPANSION

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	Increased workload.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

This bill expands the Colorado Cottage Foods Act to add fruit empanadas and tortillas to the list of nonpotentially hazardous foods that can be sold when produced in a home kitchen. A producer is permitted to sell pickled vegetables that have an equilibrium pH value of 4.6 or lower if the producer can provide the Department of Public Health and Environment (DPHE), or a county, district, or regional health agency with documentation of the food's:

- formulation or recipe;
- equilibrium pH value; and
- method of processing.

The bill requires that a producer conspicuously display a sign at the point of sale with specific wording to notify customers that the food was produced in a home kitchen not subject to state licensure or inspection, that the kitchen may also process common food allergens, and that the product is not intended for resale.

**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 without a retail food license. A nonpotentially hazardous food is 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.

Pickling vegetables in a home kitchen not subject to state inspection raises safety concerns. The use of careful food handling and sanitation methods, sufficient heat and proper pickling ingredients are important in preventing the transfer of food borne illness or the development of bacteria.

### **State Expenditures**

This bill is anticipated to increase workload for DPHE beginning in FY 2015-16 to collect documentation from producers, conduct food sampling and inspections in response to complaints. Allowing producers to expand their offerings to include pickled vegetables which are higher risk in terms of food safety may result in an increase in complaints and corresponding workload for the DPHE. The size of the increase is not known and will depend on the ability of producers to maintain proper food safety as their product lines expand. At this time, any increase in complaints is not expected to require additional appropriations. Should there be a large increase in complaints, the DPHE can request additional funding through the annual budget process.

### **Local Government Impact**

The bill will increase the workload of county or district public health agencies to collect documentation from producers. The addition of pickled vegetables to the Cottage Food Act increases the probability that producers will experience food safety issues. Should these issues arise, the fiscal note assumes that a county or district public health agency, rather than the DPHE, will be responsible for the investigation of food borne illness. Like the state expenditures impact above, the amount of increase is not known and will depend on the ability of producers to maintain proper food safety as their product lines expand.

### **Effective Date**

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

### **State and Local Government Contacts**

Counties                      Public Health