First Regular Session Sixty-eighth General Assembly STATE OF COLORADO

ENGROSSED

This Version Includes All Amendments Adopted on Second Reading in the House of Introduction

LLS NO. 11-0261.03 Kate Meyer

SENATE BILL 11-258

SENATE SPONSORSHIP

Schwartz,

HOUSE SPONSORSHIP

Vigil and Coram,

Senate Committees

House Committees

Agriculture, Natural Resources, and Energy Appropriations

	A BILL FOR AN ACT
101	CONCERNING LOCALLY PRODUCED FOODS, AND, IN CONNECTION
102	THEREWITH, AUTHORIZING THE DEPARTMENT OF PUBLIC
103	HEALTH AND ENVIRONMENT AND LOCAL BOARDS OF HEALTH TO
104	CREATE REGISTRIES OF GROWERS WHO PRODUCE FOOD
105	PRODUCTS IN THEIR HOME KITCHENS, PROMOTING LOCAL
106	FOODS, AND INCREASING ECONOMIC OPPORTUNITIES FOR LOCAL
107	FOOD PRODUCERS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

The bill increases consumer access to local fresh and value-added agricultural products.

Sections 2, 3, and 4 of the bill allow a grower to use his or her private home kitchen for the production of low-risk food to be sold at retail if:

- ! The grower registers with a registry created and maintained by the grower's district, county, or regional board of health;
- ! The food produced in the kitchen is a baked or dehydrated food or is an acid food product;
- ! The food incorporates a key or principal agronomic ingredient that was grown by the person;
- ! Net revenues from each eligible food product made in the home kitchen do not exceed \$5,000 in a calendar year; and
- ! The food is sold directly to ultimate consumers and only at the grower's residence or roadside stand, a farmers' market, a community-supported agricultural organization, or similar venue.

Section 4 further identifies prerequisites and procedures for registration, including training in food handling safety and mandatory label components of foods produced in home kitchens.

Section 5 allows the Colorado food systems advisory council to consider the feasibility of developing a subclassification of the "Colorado Proud" marketing program specifically devoted to stimulating purchases of fresh, locally sourced fruits and vegetables.

Section 6 adds promoting farmers' markets to the list of powers, functions, and duties of the Colorado department of agriculture.

Section 7 allows small egg producers to sell their eggs on the producers' premises or at local farmers' markets and applies the laws and rules regarding safe transport, including refrigeration and washing requirements, to such eggs.

Section 8 directs the Colorado department of transportation to promulgate rules regarding the safe placement of signs advertising farmers' markets and roadside stands.

Be it enacted by the General Assembly of the State of Colorado:

1

2 **SECTION 1. Legislative declaration.** (1) The general assembly

- 3 hereby finds and declares that facilitating greater access to markets and
- 4 consumers for small, local producers of fresh and value-added foods will
- 5 foster direct connections between people and local producers, which

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connections will:

- (a) Support economic development and agritourism in Colorado communities by generating entrepreneurial opportunities, encouraging direct-to-consumer sales of locally grown foods, and creating new jobs;
- (b) Invigorate local food systems by easing impediments to local markets; and
 - (c) Increase the self-reliance of Colorado communities.
 - (2) The general assembly further finds and declares that:
- (a) Exempting from retail food establishment licensure requirements, <u>authorizing the department of public health and environment and county</u>, district, or regional boards of health to register home kitchens, and encouraging those boards of health to work with the local agricultural community to establish local food production programs will support both local farmers and small-scale producers;
- (b) Growers with locally registered home kitchens will have sufficient incentives to be accountable to consumers and provide safe, wholesome foods;
- (c) At least eighteen states in which agriculture is important have enacted "cottage food laws" that allow growers to produce nonhazardous food in their home kitchens and sell that food to consumers; and
- (d) Making fresh, locally produced foods more easily available to all consumers will improve the healthy eating habits of all Coloradans.
- (3) The general assembly also encourages entities that regulate, affect, or are interested in local food production and related matters to examine ways in which to revise zoning ordinances, building and health codes, and other legal barriers to accommodate and encourage the growing and use of local produce and the production of value-added

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1	foods that use local produce. Such entities are also urged to initiate,
2	support, and set goals for farm-to-school program efforts, including
3	programs in which schools and other public entities generate and make
4	use of on-site produce and that incorporate into a farm-to-school
5	curriculum knowledge and consumption of locally sourced and
6	distributed foods, including those grown in geothermally heated and other
7	greenhouses.
8	SECTION 2. 25-4-1602 (14), Colorado Revised Statutes, is
9	amended BY THE ADDITION OF A NEW PARAGRAPH to read:
10	25-4-1602. Definitions. As used in this part 16, unless the
11	context otherwise requires:
12	(14) "Retail food establishment" means a retail operation that
13	stores, prepares, or packages food for human consumption or serves or
14	otherwise provides food for human consumption to consumers directly or
15	indirectly through a delivery service, whether such food is consumed on
16	or off the premises or whether there is a charge for such food. "Retail
17	food establishment" does not mean:
18	(m) A HOME KITCHEN IN WHICH A GROWER REGISTERED UNDER
19	SECTION 25-4-1614 PRODUCES FOOD PRODUCTS SOLD DIRECTLY TO
20	CONSUMERS IN ACCORDANCE WITH THAT SECTION.
21	SECTION 3. 25-4-1603, Colorado Revised Statutes, is amended
22	to read:
23	25-4-1603. Licensing, certification, and food protection
24	agency. (1) The department is hereby designated the state licensing,
25	certification, and food protection agency for the purpose of protecting the
26	public health and ensuring a safe food supply in this state. In addition to
27	such designation, The department is hereby ALSO authorized to regulate

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1	and control retail food establishments, promulgate rules governing the
2	operation of such establishments, and uniformly enforce and administer
3	this part 16.
4	(2) Nothing in subsection (1) of this section affects or
5	IMPAIRS THE <u>ABILITY OF</u> A COUNTY, DISTRICT, OR REGIONAL BOARD OF
6	HEALTH $\underline{\text{TO}}$ CREATE A REGISTRY OF GROWERS WHO SELL FOOD PRODUCTS
7	PRODUCED IN THE GROWERS' HOME KITCHENS IN ACCORDANCE WITH
8	SECTION 25-4-1614.
9	SECTION 4. Part 16 of article 4 of title 25, Colorado Revised
10	Statutes, is amended BY THE ADDITION OF A NEW SECTION to
11	read:
12	25-4-1614. Home kitchens - exemption - registration -
13	registries - report - rules - short title - definitions. (1) This section
14	SHALL BE KNOWN AND MAY BE CITED AS THE "COLORADO COTTAGE
15	FOODS ACT".
16	(2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
17	CONTRARY, A COUNTY, DISTRICT, OR REGIONAL BOARD OF HEALTH THAT
18	IS AUTHORIZED TO ENFORCE THIS PART 16 AND RULES ADOPTED UNDER
19	THIS PART 16 MAY CREATE A REGISTRY OF GROWERS REGISTERED
20	PURSUANT TO THIS SECTION WHO SELL, DIRECTLY TO CONSUMERS, FOOD
21	PRODUCED IN THE GROWER'S PRIVATE HOME KITCHEN THAT IS LOCATED
22	WITHIN THE BOARD'S JURISDICTION. <u>THE DEPARTMENT IS ALSO</u>
23	<u>AUTHORIZED TO CREATE A REGISTRY TO REGISTER GROWERS IN THE STATE</u>
24	WHO USE THEIR HOME KITCHENS TO PREPARE FOOD FOR SALE DIRECTLY TO
25	CONSUMERS.
26	(3) (a) A GROWER MAY USE HIS OR HER HOME KITCHEN TO
27	PRODUCE FOODS FOR SALE ONLY IF THE GROWER SELLS THE FOODS

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1	DIRECTLY TO ULTIMATE CONSUMERS AND REGISTERS WITH THE
2	<u>DEPARTMENT OR</u> A COUNTY, DISTRICT, OR REGIONAL BOARD OF HEALTH IN
3	ACCORDANCE WITH THIS SECTION.
4	(b) A registrant is permitted <u>under this section</u> to sell
5	ONLY NONPOTENTIALLY HAZARDOUS HOME KITCHEN-PREPARED
6	FOODS THAT DO NOT REQUIRE REFRIGERATION, INCLUDING SPICES,
7	DEHYDRATED PRODUCE, HONEY, JAMS, JELLIES, PRESERVES, FRUIT BUTTER,
8	AND BAKED <u>GOODS.</u>
9	
10	$(c)\ A \text{REGISTRANTMUSTHAVEGROWNTHEPRINCIPALAGRONOMIC}$
11	INGREDIENT OF ANY FOOD SOLD UNDER THIS SECTION, OR, FOR BAKED
12	GOODS, THE REGISTRANT MUST HAVE GROWN A KEY AGRONOMIC
13	INGREDIENT OF THE BAKED FOOD SOLD UNDER THIS SECTION.
14	(d) THE FOODS PRODUCED UNDER THIS SECTION MUST BE SOLD
15	ONLY:
16	(I) DIRECTLY TO ULTIMATE CONSUMERS; AND
17	(II) ON THE REGISTRANT'S PREMISES, AT THE REGISTRANT'S
18	ROADSIDE STAND, OR AT A FARMERS' MARKET, COMMUNITY-SUPPORTED
19	AGRICULTURE ORGANIZATION, OR SIMILAR VENUE.
20	(e) Only a grower who earns net revenues of five
21	THOUSAND DOLLARS OR LESS PER CALENDAR YEAR FROM SALES OF EACH
22	FOOD PRODUCT PRODUCED IN THE GROWER'S HOME KITCHEN IS ELIGIBLE
23	FOR REGISTRATION UNDER THIS SECTION.
24	(f) To be registered pursuant to this section, a grower
25	MUST BE CERTIFIED IN SAFE FOOD HANDLING BY A THIRD-PARTY
26	CERTIFYING ENTITY, INCLUDING THE UNITED STATED DEPARTMENT OF
27	AGRICULTURE OR THE COLORADO STATE UNIVERSITY COOPERATIVE

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1	EXTENSION SERVICE, AND MAINTAIN A STATUS OF GOOD STANDING IN
2	ACCORDANCE WITH THE CERTIFYING ENTITY'S PRACTICES AND
3	PROCEDURES, INCLUDING ATTENDING ANY CLASSES REQUIRED FOR
4	CERTIFICATION
5	(4) In order to register to sell foods under this section,
6	A GROWER MUST SUBMIT THE FOLLOWING TO THE DEPARTMENT OR TO THE
7	COUNTY, DISTRICT, OR REGIONAL BOARD OF HEALTH IN WHICH THE
8	GROWER'S HOME KITCHEN IS LOCATED:
9	(a) A REGISTRATION FEE IN AN AMOUNT DETERMINED BY THE
10	<u>DEPARTMENT OR THE</u> COUNTY, DISTRICT, OR REGIONAL BOARD OF HEALTH
11	TO BE SUFFICIENT TO RECOVER THE ACTUAL AND DIRECT COSTS OF
12	ADMINISTERING THIS SECTION, INCLUDING THE EXPENSES OF CREATING
13	AND MAINTAINING A REGISTRY OF REGISTRANTS LOCATED <u>IN THE STATE</u>
14	OR, FOR A COUNTY, DISTRICT, OR REGIONAL BOARD OF HEALTH REGISTRY,
15	WITHIN THAT BOARD'S JURISDICTION;
16	(b) An affidavit stating that the grower will comply with
17	PARAGRAPH (e) OF SUBSECTION (3) OF THIS SECTION;
18	(c) A SAMPLE OF THE LABEL THAT THE GROWER INTENDS TO USE
19	AND THAT CONFORMS TO SUBSECTION (5) OF THIS SECTION; AND
20	(d) PROOF OF CERTIFICATION IN SAFE FOOD HANDLING PURSUANT
21	TO PARAGRAPH (f) OF SUBSECTION (3) OF THIS SECTION.
22	(5) (a) No food product shall be sold under this section
23	UNLESS IT HAS AN AFFIXED LABEL THAT INCLUDES AT LEAST THE
24	FOLLOWING INFORMATION:
25	(I) IDENTIFICATION OF THE PRODUCT;
26	(II) THE REGISTRANT'S NAME, THE ADDRESS AT WHICH THE FOOD
27	WAS PREPARED, AND THE REGISTRANT'S CURRENT TELEPHONE NUMBER;

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1	(III) THE DATE ON WHICH THE FOOD WAS PRODUCED;
2	(IV) THE COMPLETE LIST OF INGREDIENTS; AND
3	$(V)\ The following disclaimer: "This product was produced$
4	IN A HOME KITCHEN THAT IS NOT SUBJECT TO STATE LICENSURE OR
5	INSPECTION AND THAT MAY ALSO PROCESS COMMON FOOD ALLERGENS
6	SUCH AS TREE NUTS, PEANUTS, EGGS, SOY, WHEAT, MILK, FISH, AND
7	CRUSTACEAN SHELLFISH. THIS PRODUCT IS NOT INTENDED FOR RESALE."
8	(b) A FOOD PRODUCT SOLD UNDER THIS SECTION AND NOT
9	LABELED IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (5)
10	IS MISBRANDED AND IS SUBJECT TO FOOD SAMPLING AND INSPECTION
11	PURSUANT TO SUBSECTION (7) OF THIS SECTION.
12	(6) (a) (I) The department or a county, district, or
13	REGIONAL BOARD OF HEALTH MAY PROMULGATE RULES AS NECESSARY TO
14	ADMINISTER THIS SECTION.
15	(II) <u>The department or a</u> county, district, or regional
16	BOARD OF HEALTH MAY ADOPT POLICIES OR PROMULGATE RULES
17	REGARDING RECEIPT AND RETENTION OF DOCUMENTATION REQUIRED
18	UNDER THIS SECTION OR REQUIRED BY RULES PROMULGATED PURSUANT
19	TO THIS PARAGRAPH (a). THE POLICIES OR RULES SHOULD ESTABLISH
20	METHODS TO IDENTIFY AND INVESTIGATE ALLEGATIONS OF FOOD-BORNE
21	ILLNESSES CONTRACTED FROM FOODS SOLD UNDER THIS SECTION.
22	However, nothing in this section requires $\underline{\text{THE DEPARTMENT OR}}$ A
23	COUNTY, DISTRICT, OR REGIONAL BOARD OF HEALTH TO VERIFY THE
24	ACCURACY OR LEGITIMACY OF DOCUMENTATION SUBMITTED BY A
25	REGISTRANT OR PERSON SEEKING REGISTRATION UNDER THIS SECTION.
26	(b) THE DEPARTMENT SHALL DEPOSIT ANY FEE COLLECTED UNDER
27	PARAGRAPH (a) OF SUBSECTION (4) OF THIS SECTION IN THE FOOD

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1	PROTECTION CASH FUND CREATED IN SECTION 25-4-1608. THE COUNTY,
2	DISTRICT, OR REGIONAL BOARD OF HEALTH SHALL DEPOSIT THE FEE
3	COLLECTED UNDER PARAGRAPH (a) OF SUBSECTION (4) OF THIS SECTION
4	IN THE APPROPRIATE COUNTY, DISTRICT, OR REGIONAL PUBLIC HEALTH
5	AGENCY FUND IN ACCORDANCE WITH SECTION 25-1-511.
6	(7) (a) A FOOD PRODUCT PRODUCED PURSUANT TO THIS SECTION
7	IS SUBJECT TO FOOD SAMPLING AND INSPECTION IF IT IS DETERMINED THAT
8	THE FOOD PRODUCT IS MISBRANDED PURSUANT TO SUBSECTION (5) OF THIS
9	SECTION OR IF A CONSUMER COMPLAINT HAS BEEN RECEIVED.
10	(b) If <u>the department or</u> a county, district, or regional
11	BOARD OF HEALTH HAS REASON TO BELIEVE THAT AN IMMINENT HEALTH
12	HAZARD EXISTS, IT MAY SUSPEND A REGISTRATION UNDER THIS SECTION
13	UNTIL IT DEEMS THAT THE HAZARDOUS SITUATION HAS BEEN ADDRESSED
14	TO THE SATISFACTION OF THE DEPARTMENT OR THE BOARD, AS
15	APPROPRIATE.
16	(c) <u>The department or a</u> county, district, or regional
17	BOARD OF HEALTH MAY REVOKE A REGISTRATION UNDER THIS SECTION
18	FOR VIOLATION OF THIS SECTION OR RULES ADOPTED UNDER THIS SECTION
19	OR FOR OTHER GOOD CAUSE SHOWN, AFTER A HEARING CONDUCTED UPON
20	REASONABLE NOTICE TO THE REGISTRANT AND AT WHICH THE REGISTRANT
21	MAY BE PRESENT WITH COUNSEL AND MAY BE HEARD.
22	(8) A PERSON WHO PURCHASES A PRODUCT MADE BY A
23	REGISTRANT SHALL NOT RESELL THE PRODUCT.
24	(9) SECTIONS 25-4-1604 THROUGH 25-4-1613 DO NOT APPLY TO
25	THIS SECTION.
26	(10) DURING THE SECOND REGULAR SESSION OF THE SIXTY-NINTH
27	GENERAL ASSEMBLY, THE DEPARTMENT MAY REPORT TO THE JOINT HOUSE

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1	AGRICULTURE, LIVESTOCK, AND NATURAL RESOURCES COMMITTEE AND
2	THE SENATE AGRICULTURE, NATURAL RESOURCES, AND ENERGY
3	COMMITTEE, OR ANY SUCCESSOR COMMITTEES, REGARDING REGISTRIES IN
4	THIS STATE, INCLUDING THE NUMBER OF REGISTRIES, THE NUMBER OF
5	REGISTRANTS IN EACH REGISTRY, AND ANY OTHER INFORMATION OR
6	RECOMMENDATION RELEVANT TO REGISTRIES.
7	$\underline{(11)}$ As used in this section:
8	
9	(\underline{a}) "Grower" means a natural person who is a resident of
10	COLORADO AND WHO GROWS THE PRINCIPAL OR A KEY AGRONOMIC
11	INGREDIENT OF ANY FOOD SOLD UNDER THIS SECTION, AS SPECIFIED IN
12	PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION.
13	(b) "Home" means a primary residence occupied by the
14	REGISTRANT PRODUCING THE FOOD UNDER THIS SECTION.
15	$\underline{(c)}$ "Nonpotentially hazardous" has the meaning set forth
16	IN SECTION 25-4-1602.
17	$\underline{(d)}$ "Registrant" means a grower registered under this
18	SECTION.
19	SECTION 5. 24-37.3-103, Colorado Revised Statutes, is
20	amended BY THE ADDITION OF THE FOLLOWING NEW
21	SUBSECTIONS to read:
22	24-37.3-103. Council - purpose and duties. (3) (a) THE
23	COUNCIL MAY ALSO STUDY THE FEASIBILITY OF CREATING COLORADO
24	"FRESH AND LOCAL", A SUBCLASSIFICATION OF THE "COLORADO PROUD"
25	PROGRAM THAT SPECIFICALLY EMPHASIZES BUYING FRESH COLORADO
26	PRODUCE <u>AND OTHER PRODUCTS THAT ARE</u> PRODUCED LOCALLY AND SOLD
27	DIRECTLY TO CONSUMERS AT FARMERS' MARKETS, ROADSIDE STANDS,

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1	COMMUNITY-SUPPORTED AGRICULTURE ORGANIZATIONS, OR SIMILAR
2	VENUES.
3	(b) If the council does study a potential Colorado "fresh
4	AND LOCAL" PROGRAM PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION
5	(3), THE COUNCIL SHALL MAKE RECOMMENDATIONS REGARDING A
6	PROGRAM TO THE DEPARTMENT OF AGRICULTURE. FURTHERMORE, IF,
7	PURSUANT TO A STUDY, THE COUNCIL DECIDES THAT A "FRESH AND
8	LOCAL" PROGRAM IS FEASIBLE, THE COUNCIL MAY COLLABORATE WITH
9	THE DEPARTMENT OF AGRICULTURE TO ESTABLISH METHODS AND
10	STANDARDS FOR IDENTIFYING PRODUCTS UNDER THE PROGRAM,
11	INCLUDING COPYRIGHT AND LOGO USE GUIDELINES AND RESTRICTIONS.
12	(4) Consistent with the council's mission, functions, and
13	DUTIES, THE COUNCIL MAY SUPPORT AND ENCOURAGE EFFORTS TO SET
14	GOALS TO MAKE LOCAL FOODS AVAILABLE TO LOCAL INSTITUTIONS AND
15	SCHOOLS. IN ADDITION, THE COUNCIL MAY REVIEW SUCCESSFUL
16	PROGRAMS AND MODELS USED BY OTHER STATES TO FACILITATE ACCESS
17	TO LOCAL FOODS.
18	SECTION 6. 35-1-104 (1), Colorado Revised Statutes, is
19	amended BY THE ADDITION OF A NEW PARAGRAPH to read:
20	35-1-104. Functions, powers, and duties. (1) The department
21	has and shall exercise the following functions, powers, and duties:
22	(h.5) TO PROMOTE, WITHIN EXISTING APPROPRIATIONS, FARMERS'
23	MARKETS LOCATED WITHIN THE STATE, INCLUDING SUPPORT OR
24	DEVELOPMENT OF FARMERS' MARKET ORGANIZATIONS AND WORKING
25	GROUPS AND THE PROVISION OF EDUCATION, OUTREACH, AND OTHER
26	ASSISTANCE;
27	SECTION 7. 35-21-105, Colorado Revised Statutes, is amended

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1	to read:
2	35-21-105. Exemption. (1) Any Except as provided in
3	SUBSECTION (2) OF THIS SECTION, A person who produces and sells, only
4	at retail on the premises at which the eggs were produced, at a
5	FARMERS' MARKET, OR THROUGH A COMMUNITY-SUPPORTED
6	AGRICULTURAL ORGANIZATION, less than two hundred fifty dozen eggs
7	per month shall be exempted IS EXEMPT from all provisions of this article;
8	except that such a producer may apply for a dealer's license and, upon
9	compliance with this article, be issued a dealer's license.
10	(2) A PERSON TRANSPORTING EGGS FOR SALE AT A FARMERS
11	MARKET OR SIMILAR VENUE UNDER SUBSECTION (1) OF THIS SECTION
12	SHALL:
13	(a) Comply with the transport requirements of section
14	35-21-103 (3) AND ANY RULES, INCLUDING RULES REQUIRING
15	REFRIGERATION, PROMULGATED UNDER THIS ARTICLE REGARDING THE
16	SAFE TRANSPORT AND WASHING OF EGGS; AND
17	(b) Affix to the egg package a label containing the
18	ADDRESS AT WHICH THE EGGS ORIGINATED AND THE DATE ON WHICH THE
19	EGGS WERE PACKAGED. ANY EGGS NOT TREATED FOR SALMONELLA MUST
20	ALSO INCLUDE THE FOLLOWING STATEMENT ON THE PACKAGE: "SAFE
21	HANDLING INSTRUCTIONS: TO PREVENT ILLNESS FROM BACTERIA, KEEP
22	EGGS REFRIGERATED, COOK EGGS UNTIL YOLKS ARE FIRM, AND COOK ANY
23	FOODS CONTAINING EGGS THOROUGHLY".
24	
25	SECTION 8. Act subject to petition - effective date. This act
26	shall take effect at 12:01 a.m. on the day following the expiration of the
27	ninety-day period after final adjournment of the general assembly (August

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1 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a 2 referendum petition is filed pursuant to section 1 (3) of article V of the 3 state constitution against this act or an item, section, or part of this act 4 within such period, then the act, item, section, or part shall not take effect 5 unless approved by the people at the general election to be held in 6 November 2012 and shall take effect on the date of the official

declaration of the vote thereon by the governor.

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