

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0546.01 Yelana Love x2295

SENATE BILL 15-085

SENATE SPONSORSHIP

Martinez Humenik,

HOUSE SPONSORSHIP

(None),

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF THE "COLORADO COTTAGE FOODS**
102 **ACT," AND, IN CONNECTION THEREWITH, INCREASING THE NET**
103 **REVENUE A PRODUCER CAN EARN UNDER THE ACT, PERMITTING**
104 **PRODUCERS TO SELL DIRECTLY TO SMALL BUSINESSES, AND**
105 **ALLOWING SMALL BUSINESSES TO RESELL THE PURCHASED**
106 **PRODUCTS.**

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 the amount of net revenue a producer selling

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

under the "Colorado Cottage Foods Act" may earn per eligible product from \$5,000 to \$20,000 each calendar year. The bill defines "small business" and allows producers to sell products directly to small businesses for resale.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-4-1602, **amend**
3 (14) (m) as follows:

4 **25-4-1602. Definitions.** As used in this part 16, unless the context
5 otherwise requires:

6 (14) "Retail food establishment" means a retail operation that
7 stores, prepares, or packages food for human consumption or serves or
8 otherwise provides food for human consumption to consumers directly or
9 indirectly through a delivery service, whether such food is consumed on
10 or off the premises or whether there is a charge for such food. "Retail
11 food establishment" does not mean:

12 (m) A home, commercial, private, or public kitchen in which a
13 person produces food products sold directly to consumers OR TO A SMALL
14 BUSINESS pursuant to the "Colorado Cottage Foods Act", section
15 25-4-1614.

16 **SECTION 2.** In Colorado Revised Statutes, 25-4-1614, **amend**
17 (2) (d), (2) (e), (3) (a) (V), (5), and (9) (c); and **add** (9) (d) as follows:

18 **25-4-1614. Home kitchens - exemption - food inspection - short**
19 **title - definitions.** (2) (d) The foods produced under this section ~~must~~
20 MAY be sold only:

21 (I) Directly to ~~ultimate consumers, and not to grocery stores or~~
22 ~~restaurants; and~~ A SMALL BUSINESS; OR

23 (II) On the producer's premises, at the producer's roadside stand,

1 or at a farmers' market, community-supported agriculture organization,
2 or similar venue where the product is sold directly to consumers.

3 (e) This section applies only to producers who earn net revenues
4 of ~~five~~ TWENTY thousand dollars or less per calendar year from the sale
5 of each eligible food product produced in the producer's home kitchen or
6 a commercial, private, or public kitchen.

7 (3) (a) A food product sold under this section must have an
8 affixed label that includes at least:

9 (V) The following disclaimer: "This product was produced in a
10 home kitchen that is not subject to state licensure or inspection and that
11 may also process common food allergens such as tree nuts, peanuts, eggs,
12 soy, wheat, milk, fish, and crustacean shellfish." ~~This product is not~~
13 ~~intended for resale."~~

14 (5) ~~A person who~~ A SMALL BUSINESS THAT purchases a product
15 made by a producer ~~shall not resell the product~~ MAY RESELL THE
16 PRODUCT.

17 (9) As used in this section:

18 (c) "Producer" means a natural person who is a resident of
19 Colorado and who prepares nonpotentially hazardous foods in a home
20 kitchen or similar venue for sale ~~directly to consumers~~ pursuant to this
21 section.

22 (d) "SMALL BUSINESS" MEANS A BUSINESS WITH FEWER THAN ONE
23 HUNDRED EMPLOYEES.

24 **SECTION 3.** In Colorado Revised Statutes, 12-16-103, **amend**
25 (4) (b) (II) as follows:

26 **12-16-103. Definitions - rules.** As used in this part 1, unless the
27 context otherwise requires:

1 (4) (b) "Dealer" does not include:

2 (II) A producer under the "Colorado Cottage Foods Act", section
3 25-4-1614 (9) (c), C.R.S., who earns net revenues of ~~five~~ TWENTY
4 thousand dollars or less per calendar year from the sale of each eligible
5 food product. ~~on the person's premises, at the person's roadside stand, at
6 a farmers' market or community-supported agriculture organization, or in
7 any similar venue where the product is sold directly to consumers.~~

8 **SECTION 4.** In Colorado Revised Statutes, 12-16-202, **amend**
9 (4.5) (b) (II) as follows:

10 **12-16-202. Definitions - rules.** As used in this part 2, unless the
11 context otherwise requires:

12 (4.5) (b) "Commodity handler" does not include:

13 (II) A producer under the "Colorado Cottage Foods Act", section
14 25-4-1614 (9) (c), C.R.S., who earns net revenues of ~~five~~ TWENTY
15 thousand dollars or less per calendar year from the sale of each eligible
16 food product. ~~on the person's premises, at the person's roadside stand, at
17 a farmers' market or community-supported agriculture organization, or in
18 any similar venue where the product is sold directly to consumers.~~

19 **SECTION 5. Act subject to petition - effective date -**
20 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
21 the expiration of the ninety-day period after final adjournment of the
22 general assembly (August 5, 2015, if adjournment sine die is on May 6,
23 2015); except that, if a referendum petition is filed pursuant to section 1
24 (3) of article V of the state constitution against this act or an item, section,
25 or part of this act within such period, then the act, item, section, or part
26 will not take effect unless approved by the people at the general election
27 to be held in November 2016 and, in such case, will take effect on the

- 1 date of the official declaration of the vote thereon by the governor.
- 2 (2) This act applies to conduct occurring on or after the applicable
- 3 effective date of this act.