

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 17, 2016
Date

Committee on Business, Labor, & Technology.

After consideration on the merits, the Committee recommends the following:

SB16-058 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 25-4-1614, **amend**
4 (1), (2), and (9) (c) introductory portion; **repeal** (10); and **add** (9)(a.5)
5 and (9) (a.7)" as follows:

6 **25-4-1614. Home kitchens - exemption - food inspection - short**
7 **title - definitions - rules.** (1) This section shall be known and may be
8 cited as the "Colorado Cottage Foods Act". THE PURPOSES OF THIS
9 SECTION ARE TO ALLOW FOR THE SALE AND CONSUMPTION OF HOMEMADE
10 FOODS AND TO ENCOURAGE THE EXPANSION OF AGRICULTURAL SALES BY
11 FARMERS' MARKETS, FARMS, AND HOME-BASED PRODUCERS AND
12 ACCESSIBILITY OF THESE RESOURCES TO INFORMED END CONSUMERS BY:

13 (a) FACILITATING THE PURCHASE AND CONSUMPTION OF FRESH
14 AND LOCAL AGRICULTURAL PRODUCTS;

15 (b) ENHANCING THE AGRICULTURAL ECONOMY; AND

16 (c) PROVIDING COLORADO CITIZENS WITH UNIMPEDED ACCESS TO
17 HEALTHY FOOD FROM KNOWN SOURCES.

18 (2) (a) A producer may use his or her home kitchen or a
19 commercial, private, or public kitchen to produce foods for sale only if
20 the producer sells the foods directly to ~~ultimate~~ INFORMED END
21 consumers.

22 (b) (I) A producer is permitted under this section to sell only a

1 limited range of foods that have been produced, processed, or packaged
2 that are nonpotentially hazardous and do not require refrigeration. These
3 foods ~~are divided into two tiers:~~

4 ~~(A) Tier one foods are limited to~~ INCLUDE PICKLED VEGETABLES,
5 spices, teas, dehydrated produce, nuts, seeds, honey, jams, jellies,
6 preserves, fruit butter, flour, and baked goods, including candies, fruit
7 empanadas, and tortillas, and OTHER NONPOTENTIALLY HAZARDOUS
8 FOODS;

9 ~~(B) Tier two foods are limited to pickled vegetables that have an~~
10 ~~equilibrium pH value of 4.6 or lower.~~

11 (II) A person may sell whole eggs under this section; except that
12 a person may not sell more than two hundred fifty dozen whole eggs per
13 month under this section. A person selling whole eggs must meet the
14 requirements of section 35-21-105, C.R.S.

15 (c) A producer ~~must~~ IS ENCOURAGED TO take a food safety course
16 that includes basic food handling training. ~~and is comparable to, or is a~~
17 ~~course given by, the Colorado state university extension service or a state,~~
18 ~~county, or district public health agency, and must maintain a status of~~
19 ~~good standing in accordance with the course requirements, including~~
20 ~~attending any additional classes if necessary.~~

21 (d) The foods produced under this section must: ~~be sold only~~

22 ~~(I) to ultimate consumers and not to grocery stores or restaurants;~~
23 ~~and~~ BE DELIVERED DIRECTLY FROM A PRODUCER TO AN INFORMED END
24 CONSUMER;

25 ~~(II) On the producer's premises, at the producer's roadside stand,~~
26 ~~or at a farmers' market, community-supported agriculture organization,~~
27 ~~or similar venue where the product is sold directly to consumers. BE SOLD~~
28 ONLY IN COLORADO; AND

29 (III) NOT INVOLVE INTERSTATE COMMERCE.

30 (e) This section applies only to producers who earn net revenues
31 of ten thousand dollars or less per calendar year from the sale of each
32 eligible food product produced in the producer's home kitchen or a
33 commercial, private, or public kitchen.

34 (9) As used in this section:

35 (a.5) "HOMEMADE" MEANS FOOD THAT IS PREPARED IN A PRIVATE
36 HOME KITCHEN THAT IS NOT LICENSED, INSPECTED, OR REGULATED.

37 (a.7) "INFORMED END CONSUMER" MEANS A PERSON WHO IS THE
38 LAST PERSON TO PURCHASE ANY PRODUCT, WHO DOES NOT RESELL THE
39 PRODUCT, AND WHO HAS BEEN INFORMED THAT THE PRODUCT IS NOT
40 LICENSED, REGULATED, OR INSPECTED.

1 (c) "Producer" means a person who prepares nonpotentially
2 hazardous foods in a home kitchen or similar venue for sale directly to
3 consumers pursuant to this section, AND INCLUDES THAT PERSON'S
4 DESIGNATED REPRESENTATIVE. A producer may only be:

5 (10) ~~The state board of health shall promulgate rules, including~~
6 ~~enforcement provisions, necessary to provide for the production and sale~~
7 ~~of tier two foods.~~

8 **SECTION 2.** In Colorado Revised Statutes, 35-33-103, **amend**
9 (8) and (9); and **add** (8.5) as follows:

10 **35-33-103. Definitions.** As used in this article, unless the context
11 otherwise requires:

12 (8) "Meat or meat products" means carcasses or parts of carcasses
13 derived from any animals used for food. "MEAT OR MEAT PRODUCTS"
14 INCLUDES POULTRY.

15 (8.5) "POULTRY" MEANS ANY DOMESTICATED BIRD, INCLUDING
16 CHICKENS, TURKEYS, DUCKS, GEESE, GUINEAS, OR SQUABS, WHETHER LIVE
17 OR DEAD.

18 (9) "Premises" means the back, front, and side yard of property
19 occupied by a ~~custom~~ processing facility; docks and areas where vehicles
20 are loaded or unloaded; driveways, approaches, pens, and alleys; and
21 buildings or portions of buildings that are part of any facility even though
22 not used for ~~custom~~ processing.

23 **SECTION 3.** In Colorado Revised Statutes, 35-33-104, **amend**
24 (1) as follows:

25 **35-33-104. Commissioner of agriculture - powers and duties.**

26 (1) The commissioner is hereby authorized to formulate reasonable rules
27 and standards of construction, LABELING, operation, record keeping, and
28 sanitation for all ~~custom~~ processing facilities and shall establish rules and
29 standards pertaining to containers, packaging materials, mobile slaughter
30 units, slaughter rooms, processing rooms, chill rooms, storage and locker
31 rooms, sharp freezing facilities, and premises of ~~custom~~ processing
32 facilities, with respect to the service of slaughtering, cutting, preparing,
33 wrapping, and packaging meat and meat products necessary for the proper
34 preservation of food.

35 **SECTION 4.** In Colorado Revised Statutes, 35-33-107, **add** (6)
36 as follows:

37 **35-33-107. Exemptions.** (6) A PRODUCER WHO RAISES AND
38 SLAUGHTERS NO MORE THAN ONE THOUSAND POULTRY DURING EACH
39 CALENDAR YEAR IS EXEMPT FROM THE PROVISIONS OF THIS ARTICLE OTHER
40 THAN THE RECORD KEEPING REQUIREMENT IN SECTION 35-33-202 AND THE

1 LABELING REQUIREMENTS IN SECTION 35-33-301 IF:
2 (a) THE PRODUCER DOES NOT BUY OR SELL POULTRY PRODUCTS
3 OTHER THAN THOSE PRODUCED FROM POULTRY RAISED ON THE
4 PRODUCER'S OWN FARM;
5 (b) THE POULTRY DO NOT MOVE IN INTERSTATE COMMERCE;
6 (c) THE POULTRY ARE PROPERLY LABELED; AND
7 (d) THE POULTRY ARE HEALTHY WHEN SLAUGHTERED AND THE
8 SLAUGHTER AND PROCESSING ARE CONDUCTED UNDER SANITARY
9 STANDARDS, PRACTICES, AND PROCEDURES THAT PRODUCE POULTRY
10 PRODUCTS THAT ARE SOUND, CLEAN, AND FIT FOR USE AS HUMAN FOOD
11 WHEN DISTRIBUTED BY THE PRODUCER.
12 **SECTION 5.** In Colorado Revised Statutes, 35-33-201, **amend**
13 (1) and (10) introductory portion; and **add** (11) as follows:
14 **35-33-201. Processing facilities - operation - rules.** (1) Each
15 ~~custom~~ processing facility licensed under this article must be operated
16 and maintained in a manner sufficient to prevent the creation of
17 unsanitary conditions and to ensure that meat or meat products are not
18 adulterated.
19 (10) All meat and meat products, EXCEPT POULTRY, resulting from
20 the ~~custom~~ processing or slaughter of uninspected animals:
21 (11) ALL POULTRY AND POULTRY PRODUCTS MUST BE MARKED AS
22 REQUIRED BY THE COMMISSIONER BY RULE.
23 **SECTION 6.** In Colorado Revised Statutes, 35-33-202, **amend**
24 (1) (a) introductory portion as follows:
25 **35-33-202. Record-keeping requirements.** (1)(a) Every ~~custom~~
26 processor shall maintain records of each customer transaction, including,
27 at a minimum:
28 **SECTION 7.** In Colorado Revised Statutes, 35-33-203, **amend**
29 (1) as follows:
30 **35-33-203. Slaughter methods.** (1) ~~No custom~~ A processor shall
31 NOT shackle, hoist, or otherwise bring animals into position for slaughter,
32 or ~~shall~~ slaughter or bleed animals, except by humane methods.
33 **SECTION 8.** In Colorado Revised Statutes, 35-33-206, **add** (1.5)
34 as follows:
35 **35-33-206. License required - application - inspection -**
36 **issuance.** (1.5) ANY PERSON WHO DESIRES TO SLAUGHTER AND PROCESS
37 MORE THAN ONE THOUSAND, BUT FEWER THAN TWENTY THOUSAND,
38 POULTRY SHALL FIRST OBTAIN A LICENSE FROM THE DEPARTMENT. A
39 SEPARATE LICENSE IS REQUIRED FOR EACH POULTRY PROCESSING FACILITY.
40 THE APPLICATION MUST BE IN WRITING ON FORMS SUPPLIED BY THE

1 DEPARTMENT, SETTING FORTH ANY INFORMATION REQUIRED BY THE
2 DEPARTMENT, AND MUST BE ACCOMPANIED BY ALL REQUIRED FEES.

3 **SECTION 9.** In Colorado Revised Statutes, **recreate and**
4 **reenact, with amendments,** part 3 of article 33 of title 35 as follows:

5 **35-33-301. Sale of poultry - labeling - rules.** (1) A POULTRY
6 PRODUCER LICENSED OR EXEMPTED UNDER THIS ARTICLE MAY SELL
7 POULTRY TO INDIVIDUALS.

8 (2) THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF
9 PUBLIC HEALTH AND ENVIRONMENT TO PROMULGATE RULES REGARDING
10 THE LABELING OF POULTRY SOLD PURSUANT TO THIS SECTION.

11 (3) (a) THE COMMISSIONER OR HIS OR HER DESIGNEE SHALL
12 CONVENE A STAKEHOLDER GROUP, INCLUDING REPRESENTATIVES FROM
13 THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT,
14 RETAIL FOOD ESTABLISHMENTS, LIABILITY INSURANCE COMPANIES,
15 POULTRY FARMERS, POULTRY SUPPLIERS, PROCESSORS OPERATING UNDER
16 THIS ARTICLE, AND ANY OTHER INTERESTED PARTY.

17 (b) THE DEPARTMENT SHALL KEEP AND MAINTAIN A LIST OF
18 STAKEHOLDERS.

19 (c) THE DEPARTMENT SHALL CONVENE THE FIRST MEETING WITH
20 THE STAKEHOLDERS NO LATER THAN JULY 1, 2016, AND AS NEEDED
21 THEREAFTER.

22 (d) THE DEPARTMENT SHALL MEET WITH THE STAKEHOLDERS TO
23 DEVELOP A REGULATORY FRAMEWORK FOR THE PROCESSING OF POULTRY
24 THAT IS SOLD TO RETAIL FOOD ESTABLISHMENTS, AS DEFINED IN SECTION
25 25-4-1602 (14), C.R.S.

26 (e) ON OR BEFORE NOVEMBER 30, 2016, THE COMMISSIONER OR
27 HIS OR HER DESIGNEE SHALL PREPARE A REPORT OF THE FINDINGS AND
28 CONCLUSIONS OF THE STUDY AND SHALL PRESENT THE REPORT TO ALL
29 STAKEHOLDERS AND OTHERS UPON REQUEST.

30 **SECTION 10. Safety clause.** The general assembly hereby finds,
31 determines, and declares that this act is necessary for the immediate
32 preservation of the public peace, health, and safety."

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