



Legislative
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HB 20-1343

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 4, 2020)

Drafting Number: LLS 20-0604
Prime Sponsors: Rep. Roberts
Sen. Donovan

Date: June 5, 2020
Bill Status: Senate Finance
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Bill Topic: **EGG-LAYING HEN CONFINEMENT STANDARDS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill establishes enclosure standards for farm owners or operators to house egg-laying hens and requires shell eggs and egg products to be annually certified as being in compliance with the standards. The bill may increase state revenue and will increase state workload.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Summary of Legislation

This bill establishes enclosure standards for farm owners or operators (producers) to house female domesticated chickens, turkeys, ducks, geese, or guinea fowl (hens) kept for the purpose of commercial egg production. Beginning January 1, 2023, a producer is prohibited from knowingly confining an egg-laying hen in an enclosure with less than one square foot of usable floor space per hen. Beginning January 1, 2025, the enclosure standard becomes:

- a cage-free housing system;
- one square foot of usable floor space per hen with unfettered access to vertical space; or
- one and one-half square feet of usable floor space per hen without unfettered access to vertical space.

The enclosure standards do not apply to the sale of or transport for sale of shell eggs in the state by a producer with 3,000 or fewer egg-laying hens or by a producer at one or more business locations in the state if:

- each business location sells fewer than 25 cases of 30 dozen shell eggs per week;
- all business locations combined sell fewer than 100 cases of 30 dozen shell eggs per week; and
- the producer is not a farm owner or operator.

Also exempted from the standards are:

- medical research;
- veterinary care;
- transportation;
- exhibitions;
- slaughter; or
- temporary periods for animal husbandry purposes.

The Commissioner of Agriculture is required to promulgate rules for enforcement including inspection of farms, shell eggs, and egg products to ensure compliance with the enclosure standards. The commissioner may use a government or private inspection process verification provider to ensure compliance.

To sell eggs, a producer must have a certificate from the Colorado Department of Agriculture (CDA) that verifies that the shell eggs and egg products were produced in compliance with the enclosure standards. A buyer must obtain a copy of the certificate.

Violations of the provisions of the bill are subject to a civil penalty of up to \$1,000 per violation.

State Revenue

To the extent that producers violate the effective enclosure standards, penalty revenue will increase. Because there are only six producers subject to the bill, penalty revenue is not expected to be significant and is not estimated for the fiscal note. Any penalties collected will be subject to TABOR.

State Expenditures

This bill is expected to increase workload for the CDA and may increase workload for the Judicial Department as explained below.

Colorado Department of Agriculture. Beginning in FY 2021-22, the CDA will have an increase in workload to work with stakeholders and promulgate rules. Because egg producers are already inspected by the CDA, the bill changes what inspectors will be looking for in enclosure design. Producers can have either the CDA or the United States Department of Agriculture conduct the certification required under the bill. The increase in workload for the CDA can be accomplished within existing appropriations.

Judicial Department. Trial courts in the Judicial Department may see an increase in cases if producers do not remit their civil fines. The fiscal note assumes that producers will comply with any penalties levied so few, if any cases, are expected.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Agriculture

Judicial

Public Health and Environment

Information Technology

Law