

HB 25-1134: INSECT PRODUCTION HUMAN CONSUMPTION

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill prohibits the sale and manufacturing of insect or insect products for human consumption.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

• Minimal State Workload

Local Government

Appropriations. No appropriation is required.

Table 1 State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

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Summary of Legislation

The bill prohibits the sale or commercial production of insects or insect products for human consumption. Existing entities may continue to produce insect or insect products at its current capacity. Any products containing insects or insect products meant for human consumption must be labeled as such.

Violations could result in a civil infraction and a fine of at least \$1,000 and up to \$5,000. It also allows a district attorney to enforce the prohibition and the Commissioner of Agriculture to refer suspected violations to the local district attorney. An individual may also bring a civil action against a person violating the prohibition.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following section outlines crimes that are comparable to the offense in this bill and discusses assumptions on future rates of criminal convictions resulting from the bill.

Prior Conviction Data and Assumptions

Selling, Manufacturing, or Transporting Insects for Human Consumption

This bill creates the new offense of selling, manufacturing, or transporting insects or insect products for human consumption, a civil infraction. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of selling a confectionery containing more than one-half percent alcohol by volume to a person under 21 as a comparable crime. From FY 2021-22 to FY 2023-24, zero offenders have been sentenced and convicted for this existing offense.

Misbranding Food Containing Insects

This bill also creates a new factual basis for the existing offense of misbranding food by failing to properly label a food containing insects, a class 2 misdemeanor. From FY 2021-22 to FY 2023-24, zero offenders have been sentenced and convicted for this offense.

Caseload Assumptions

Based on the comparable crime data above and the assumption that businesses will generally comply with the law, the fiscal note assumes that there will be minimal or no additional criminal case filings or convictions for this offense under the bill. Visit <u>the General Assembly's website</u> for more information about criminal justice costs in fiscal notes.

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Assumptions

This fiscal note assumes a district attorney will need to refer cases to other entities for enforcement. See Technical Note below.

State Revenue and Expenditures

Based on the assumptions above, this analysis assumes that there will be a minimal impact on state revenue and expenditures. Under the bill, criminal fines and court fees, which are subject to TABOR, may increase by a minimal amount. Similarly, any increase in workload and costs for the Judicial Department, including the trial courts are assumed to be minimal and no change in appropriations is required. The Department of Agriculture may see minimal workload increase to refer any violations to the proper district attorney.

Local Government

Similar to the state, it is expected that any workload or cost increase for district attorneys to prosecute additional offenses will be minimal. District attorney offices and county jails are funded by counties.

Technical Note

While the bill allows for district attorneys to enforce the insect farming provisions, district attorneys are not permitted to represent the state in civil infraction matters. This fiscal note assumes that any violations will be referred to a county attorney or handled via a private civil suit, as permitted in the bill.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to offenses committed on or after that date.

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State and Local Government Contacts

Agriculture District Attorneys Judicial Public Health and Environment Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the <u>General Assembly website</u>.