



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1190: EXPANDING COLORADO COTTAGE FOODS ACT

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**Prime Sponsors:**

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**Fiscal note status:** The fiscal note reflects the introduced bill.

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### Summary Information

**Overview.** The bill expands the Colorado Cottage Foods Act to allow for the sale of refrigerated food.

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

- State Expenditures
- Local Government

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$87,480 to the Department of Public Health and Environment.

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**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact<sup>1</sup></b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
State Revenue	\$0	\$0
State Expenditures	\$102,978	\$96,308
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.8 FTE	0.8 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$87,480	\$80,810
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$15,498	\$15,498
<b>Total Expenditures</b>	<b>\$102,978</b>	<b>\$96,308</b>
<b>Total FTE</b>	<b>0.8 FTE</b>	<b>0.8 FTE</b>

## Summary of Legislation

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Under current law, the Colorado Cottage Foods Act allows for the sale and consumption of homemade food, such as pickled vegetables, jams, and baked goods, but excludes foods requiring refrigeration. The bill expands the act to include foods that require refrigeration.

## Assumptions

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Homemade foods may be prepared in environments that lack commercial equipment that promote food safety. Refrigerated foods pose a higher risk of foodborne illness than foods currently covered by the Colorado Cottage Foods Act. The costs identified in the fiscal note reflect public health responses to two outbreaks of foodborne illnesses per year. Since such incidents are unpredictable, actual costs may depart from the fiscal note. In years with fewer outbreaks, some expenditures will not occur. In years with more or large outbreaks, additional resources may be required, which will be addressed through the annual budget process.

## State Expenditures

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The bill increases state expenditures in the Department of Public Health and Environment by about \$100,000 per year beginning in FY 2025-26. These costs, paid from the General Fund, are summarized in Table 2 and discussed below.

**Table 2**  
**State Expenditures**  
**Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$59,786	\$59,786
Operating Expenses	\$1,024	\$1,024
Capital Outlay Costs	\$6,670	\$0
Laboratory Costs	\$20,000	\$20,000
Centrally Appropriated Costs	\$15,498	\$15,498
<b>Total Costs</b>	<b>\$102,978</b>	<b>\$96,308</b>
<b>Total FTE</b>	<b>0.6 FTE</b>	<b>0.6 FTE</b>

### **Staff**

When a foodborne illness outbreak occurs, CDPHE requires additional staff to monitor case reports, investigate cases, support local public health agencies, develop educational materials, report data, and test samples. This is estimated at 0.3 FTE per outbreak. Assuming two outbreaks per year, this requires 0.6 FTE beginning in FY 2025-26. Standard operating and capital outlay costs are included.

### **Laboratory Costs**

Equipment and testing costs are estimated at \$20,000 per year, based on the assumptions above.

### **Centrally Appropriated Costs**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

### **Local Government**

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To the extent that additional foodborne illness outbreaks occur, workload will increase in local public health departments.

## Effective Date

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

## State Appropriations

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For FY 2025-26, the bill requires a General Fund appropriation of \$87,480 to the Department of Public Health and Environment, and 0.6 FTE.

## State and Local Government Contacts

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Public Health and Environment

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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 [General Assembly website](#).