



**Legislative  
Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

# Initiative #314

## INITIAL FISCAL IMPACT STATEMENT

**Date:** April 14, 2020

**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**LCS TITLE:** CONCERNING FARM ANIMAL CONFINEMENT

Fiscal Impact Summary		FY 2020-21	FY 2021-22
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	-	\$290,635

***Disclaimer.** This initial fiscal impact statement has been prepared for the Title Board. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.*

### Summary of Measure

The measure establishes enclosure standards for farm owners or operators (producers) to house egg-laying hens, breeding pigs, and calves raised for veal. Egg-laying hens include female domesticated chickens, turkeys, ducks, geese, or guinea fowl (hens) kept for the purpose of commercial egg production. Beginning December 31, 2021, hens, breeding pigs, and calves raised for veal (covered animals) must be able to lie down, fully extend all of their limbs, and turn around freely without touching the side of an enclosure or another animal. The measure includes specific enclosure standards for each type of covered animal.

Exceptions to the enclosure standards include:

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

The measure also restricts retail sellers from knowingly selling eggs, pork or veal products that were confined in ways that conflict with the requirements of the measure.

The Commissioner of Agriculture is required to promulgate rules for enforcement, including inspection of farms, shell eggs, egg products, whole pork meat, and whole veal meat to ensure compliance with the enclosure standards. The commissioner may not use a third-party or private inspection process or process verification provider to ensure compliance. Individuals who violate the enclosure requirements are guilty of a misdemeanor and subject to a fine of up to \$1,000 per violation, per animal, per day. The measure provides legal recourse for the commissioner if she is unable to collect a criminal penalty. Violations also constitute unfair and deceptive trade practices under the Colorado Consumer Protection Act and are subject to civil action.

## Background and Assumptions

**Egg dealers.** The Colorado Department of Agriculture (CDA) currently oversees the Egg Program that licenses egg dealers. Dealers are inspected for compliance with state food safety regulations and educated in the proper care and handling of eggs. This involves annually inspecting the six farmers that currently produce eggs in Colorado and 2,500 to 3,000 retail sellers to ensure eggs are labeled correctly and in good condition. Retail sellers are inspected on a tiered inspection schedule, so they could be inspected annually or up to once every four years. There are 16 field inspectors who split their time between multiple programs, including egg inspections.

**Breeding pigs and calves raised for veal.** Current law requires that breeding pig and calves raised for veal be kept in a manner that allows the animals to stand up, lie down, and turn around without touching the sides of its enclosure with some exceptions. The fiscal impact statement assumes there are currently 76 pork producers and no veal producers in Colorado. The CDA does not currently track or inspect pork or veal production in Colorado.

**Unclassified misdemeanor.** This bill creates a new unclassified misdemeanor for violations of the measure's enclosure requirements and a related civil penalty of a deceptive trade practice. The fiscal note assumes that individuals will comply with the law and that there will be minimal or no additional case filings or convictions for the new offense under the bill. Because the bill is not expected to have a tangible impact on criminal justice-related expenditures or revenue at the state or local levels, these potential impacts are not discussed further in this fiscal note.

## State Expenditures

The measure will increase state General Fund expenditures by \$290,635 and 1.4 FTE in FY 2021-22 for the CDA. The measure does not create a funding source, therefore expenditures are assumed to require General Fund. These costs are shown in Table 2 and explained below.

**Table 2**  
**Expenditures Under Initiative #314**

	FY 2020-21	FY 2021-22
<b>Department of Agriculture</b>		
Personal Services	-	\$65,674
Operating Expenses	-	\$2,160
Capital Outlay Costs	-	\$12,400
Travel	-	\$4,151
Computer Programming	-	\$139,500
Centrally Appropriated Costs	-	\$66,750
<b>Total Cost</b>	-	<b>\$290,635</b>
<b>Total FTE</b>	-	<b>1.4 FTE</b>

**Colorado Department of Agriculture.** The CDA will add 2.0 FTE, prorated to 1.4 FTE to reflect an October 1, 2021, start date, in FY 2021-22, to administer the measure. New staff will include a compliance specialist II and an administrative assistant III. The CDA will develop rules with legal support from the Department of Law within existing resources. Additional staffing and resources are required to conduct an increased number of inspections of both producers and retail sellers; to develop a registration tracking database for producers and retail sellers; and to support the registration system. The staff will also provide education and outreach to producers and retail sellers. The CDA will expand its existing registration and licensing system, AgLicense, to accommodate the new registration categories and to provide a user interface.

## **Economic Impact**

To the extent that producer and retail seller costs increase to meet the standards under the measure, these costs may reduce spending elsewhere in the economy.

## **Effective Date**

If approved by voters at the 2020 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

## **State and Local Government Contacts**

Agriculture  
Law

Information Technology  
Public Health and Environment

Judicial

## **Other Sources Considered**

Not applicable.

## **Abstract of Initiative 314: CONCERNING FARM ANIMAL CONFINEMENT**

*The abstract includes estimates of the fiscal impact of the proposed initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at [www.ColoradoBlueBook.com](http://www.ColoradoBlueBook.com) and the abstract will be included in the ballot information booklet that is prepared for the initiative.*

**This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of April 14, 2020, identifies the following impacts:**

**State expenditures.** The measure will increase state General Fund expenditures by \$290,635 and 1.4 FTE in FY 2021-22.

**Economic impacts.** To the extent that producer and retail seller costs increase to meet the standards under the measure, these costs may reduce spending elsewhere in the economy.