



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-176: SUNSET COMMODITY HANDLER & FARM PRODUCTS ACT

Prime Sponsors:

Sen. Pelton R.; Snyder
Rep. Martinez; Winter T.

Fiscal Analyst:

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Bill Outcome: Signed into Law
Drafting number: LLS 25-0408

Version: Final Fiscal Note
Date: July 11, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill continues the regulation of commodity and farm product handlers, which is scheduled to repeal on September 1, 2025. The program is continued through September 1, 2032.

Sunset bill. The bill has impacts in the following areas through FY 2032-33 from both continuing an existing a program scheduled to repeal and making changes to that program:

- State Revenue
- State Expenditures
- State Diversions

Appropriations. No appropriation is required.

Table 1
Continuation of Current State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue (Cash Funds)	\$0	\$270,000
State Expenditures (Cash Funds)	\$0	\$270,000
Diverted Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$270,000
Change in State FTE	0.0 FTE	2.8 FTE

¹ These impacts result from continuing a program scheduled to repeal and reflect the extension of current revenue and spending levels. Other changes under the bill are described below.

Summary of Legislation

The bill continues the regulation of commodity and farm product handlers by the Department of Agriculture (CDA) for seven years, extending the repeal date of the program from September 1, 2025, to September 1, 2032. The bill also increases the aggregate annual purchase limit to qualify as a small-volume dealer from \$25,000 to \$45,000. The CDA may periodically adjust this limit by rule. Additionally, the bill clarifies that the definition of commodity for the purposes of regulation does not include marijuana, directs all civil penalties collected by the program to the General Fund instead of the program's cash fund, and limits who may receive claim reimbursement from bonds and irrevocable letters of credit required to engage in the commodity or farm product handler business.

Continuing Program Impacts

Based on the program's [Sunset Review](#), the CDA is expected to have continuing revenue and expenditures of about \$270,000 to administer the regulation of commodity and farm product handlers. This continuing program impact is based on FY 2022-23 expenditures, and it is assumed that the CDA will generate revenue sufficient to cover these costs. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2026-27. This continuing revenue is subject to the state TABOR limits.

If this bill is not enacted, the program will end one year after its repeal date on September 1, 2026, following a wind-down period. If allowed to repeal, state revenue and expenditures will decrease starting in FY 2026-27 by the continuation amounts shown in Table 1. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditures sections below.

State Diversions

The bill diverts civil penalty revenue from the program's cash fund to the General Fund. The [Sunset Review](#) indicates that no civil penalties have been assessed from FY 2018-19 through FY 2022-23. The fiscal note assumes that the amount of funding diverted to the General Fund in future years will be minimal.

State Expenditures

Workload will minimally increase in the CDA to update policies and procedures to reflect changes made by the bill to the program. No change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on May 20, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Agriculture

Regulatory Agencies

Judicial

Revenue

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](#).