

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0408.01 Christopher McMichael x4775

SENATE BILL 25-176

SENATE SPONSORSHIP

Pelton R. and Snyder, Catlin, Marchman, Pelton B., Roberts

HOUSE SPONSORSHIP

Martinez and Winter T.,

Senate Committees

Agriculture & Natural Resources
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF THE "COMMODITY HANDLER**
102 **AND FARM PRODUCTS ACT", AND, IN CONNECTION THEREWITH,**
103 **IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE**
104 **2024 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY**
105 **AGENCIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Sunset Process - Senate Agriculture and Natural Resources Committee. The bill continues the department of agriculture's

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

(department) oversight of the "Commodity Handler and Farm Products Act" (act) for 7 years until 2032.

The bill also increases the "small-volume dealer" limit (limit) from \$20,000 to \$45,000. The limit is a limit on the amount of farm products or commodities that a person may buy, in aggregate, per year. The bill permits the commissioner of agriculture to periodically adjust the limit.

The bill explicitly excludes marijuana from the definition of "commodity" under the act.

Under current law, civil penalties collected by the department for violations of the act are deposited into the inspection and consumer services cash fund (fund). The bill requires those civil penalties to be transferred to the general fund rather than the department's fund.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (26)(a)(XI); and **add** (33)(a)(X) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (26) (a) The following agencies, functions, or both,
7 are scheduled for repeal on September 1, 2025:

8 (XI) ~~The licensing and regulation of persons by the department of~~
9 ~~agriculture in accordance with article 36 of title 35;~~

10 (33) (a) The following agencies, functions, or both, are scheduled
11 for repeal on September 1, 2032:

12 (X) THE LICENSING AND REGULATION OF PERSONS BY THE
13 DEPARTMENT OF AGRICULTURE IN ACCORDANCE WITH ARTICLE 36 OF TITLE
14 35.

15 **SECTION 2.** In Colorado Revised Statutes, **amend** 35-36-109 as
16 follows:

17 **35-36-109. Repeal of article - subject to review.** This article 36
18 is repealed, effective September 1, 2025 2032. Before the repeal, ~~the~~
19 ~~licensing functions of the commissioner are~~ THIS ARTICLE 36 IS scheduled

1 for review in accordance with section 24-34-104.

2 **SECTION 3.** In Colorado Revised Statutes, 35-36-102, **amend**
3 (34) introductory portion and (34)(c) as follows:

4 **35-36-102. Definitions.** As used in this article 36, unless the
5 context otherwise requires:

6 (34) "Small-volume dealer" means a person ~~who~~ THAT:

7 (c) SUBJECT TO ADJUSTMENT MADE BY THE COMMISSIONER BY
8 RULE, AS AUTHORIZED UNDER SECTION 35-36-103 (1)(c), buys less than
9 ~~twenty~~ FORTY-FIVE thousand dollars' worth of farm products or
10 commodities, in aggregate, per year from the owners for processing or
11 resale; and

12 **SECTION 4.** In Colorado Revised Statutes, 35-36-103, **add**
13 (1)(c) as follows:

14 **35-36-103. Commissioner - rules - delegation of powers and**
15 **duties.** (1) (c) THE COMMISSIONER MAY BY RULE PERIODICALLY ADJUST
16 THE PURCHASE LIMIT FOR QUALIFICATION AS A SMALL-VOLUME DEALER AS
17 SET FORTH IN SECTION 35-36-102 (34)(c).

18 **SECTION 5.** In Colorado Revised Statutes, 35-36-313, **amend**
19 (1)(m) as follows:

20 **35-36-313. Unlawful acts - definition.** (1) It is unlawful and a
21 violation of this part 3 for any person to:

22 (m) If licensed as a small-volume dealer, purchase ~~twenty~~
23 FORTY-FIVE thousand dollars' worth or more of farm products in one year
24 from the owner for processing or resale. Violation of this subsection
25 (1)(m) is a class 2 misdemeanor. THE COMMISSIONER MAY ADJUST THE
26 THRESHOLD AMOUNT PROVIDED IN THIS SUBSECTION (1)(m) BY RULE
27 PURSUANT TO SECTION 35-36-103 (1)(c).

1 **SECTION 6.** In Colorado Revised Statutes, 35-36-102, **amend**
2 (7) as follows:

3 **35-36-102. Definitions.** As used in this article 36, unless the
4 context otherwise requires:

5 (7) (a) "Commodity" means unprocessed small, hard seeds or
6 fruits such as wheat, corn, oats, barley, rye, sunflower seeds, soybeans,
7 beans, grain sorghum, industrial hemp, and such other seeds or fruits as
8 the commissioner may determine.

9 (b) "COMMODITY" DOES NOT INCLUDE MARIJUANA.

10 **SECTION 7.** In Colorado Revised Statutes, 35-36-105, **amend**
11 (5) as follows:

12 **35-36-105. Civil penalties.** (5) The commissioner shall transmit
13 all money collected from civil penalties pursuant to this section to the
14 state treasurer, who shall credit ~~it~~ THE MONEY to the ~~inspection and~~
15 ~~consumer services cash fund created in section 35-1-106.5~~ GENERAL
16 FUND.

17 **SECTION 8.** In Colorado Revised Statutes, 35-36-102, **add**
18 (24.5) as follows:

19 **35-36-102. Definitions.** As used in this article 36, unless the
20 context otherwise requires:

21 (24.5) "PATRONAGE INTEREST" MEANS SHARES OR MEMBERSHIP
22 INTERESTS, PARTNERSHIP INTERESTS, OR OTHER OWNERSHIP INTERESTS IN
23 A LICENSEE THAT IS A COOPERATIVE ASSOCIATION, WHICH SHARES OR
24 INTERESTS ARE ALLOCATED AND DISTRIBUTED TO THE PRODUCER IN
25 PROPORTION TO THAT PRODUCER'S PATRONAGE OF THE COOPERATIVE
26 ASSOCIATION.

27 **SECTION 9.** In Colorado Revised Statutes, 35-36-216, **add**

1 (1)(c)(III) as follows:

2 **35-36-216. Bonds or irrevocable letters of credit - exemptions.**

3 (1) (c) (III) A PRODUCER OR OWNER IS NOT ELIGIBLE FOR
4 REIMBURSEMENT FROM THE BOND OR THE IRREVOCABLE LETTER OF
5 CREDIT FOR A CLAIM SUBMITTED PURSUANT TO THIS SECTION IF, AT THE
6 TIME THE CLAIM IS SUBMITTED, THE PRODUCER OR OWNER IS:

7 (A) THE OWNER OF AT LEAST FIVE PERCENT OF THE VOTING
8 SHARES, EXCLUDING PATRONAGE INTERESTS, MEMBERSHIP INTERESTS,
9 PARTNERSHIP INTERESTS, OR PUBLICLY TRADED SHARES OF THE LICENSEE
10 WHOSE FAILURE IS THE BASIS OF THE CLAIM; OR

11 (B) THE OWNER OF AT LEAST FIVE PERCENT OF THE VOTING
12 SHARES, EXCLUDING PATRONAGE INTERESTS, MEMBERSHIP INTERESTS,
13 PARTNERSHIP INTERESTS, OR PUBLICLY TRADED SHARES OF THE PARENT
14 CORPORATION OF THE LICENSEE WHOSE FAILURE IS THE BASIS OF THE
15 CLAIM.

16 **SECTION 10. In Colorado Revised Statutes, 35-36-304, add**
17 **(1)(c)(III) as follows:**

18 **35-36-304. Bonds and irrevocable letters of credit -**
19 **exemptions. (1)(c)(III) A PRODUCER, OWNER, SMALL-VOLUME DEALER,**
20 **OR OTHER DEALER IS NOT ELIGIBLE FOR REIMBURSEMENT FROM THE BOND**
21 **OR THE IRREVOCABLE LETTER OF CREDIT FOR A CLAIM SUBMITTED**
22 **PURSUANT TO THIS SECTION IF, AT THE TIME THE CLAIM IS SUBMITTED, THE**
23 **PRODUCER, OWNER, SMALL-VOLUME, DEALER OR OTHER DEALER IS:**

24 (A) THE OWNER OF AT LEAST FIVE PERCENT OF THE VOTING
25 SHARES, EXCLUDING PATRONAGE INTERESTS, MEMBERSHIP INTERESTS,
26 PARTNERSHIP INTERESTS, OR PUBLICLY TRADED SHARES OF THE LICENSEE
27 WHOSE FAILURE IS THE BASIS OF THE CLAIM; OR

1 (B) THE OWNER OF AT LEAST FIVE PERCENT OF THE VOTING
2 SHARES, EXCLUDING PATRONAGE INTERESTS, MEMBERSHIP INTERESTS,
3 PARTNERSHIP INTERESTS, OR PUBLICLY TRADED SHARES OF THE PARENT
4 CORPORATION OF THE LICENSEE WHOSE FAILURE IS THE BASIS OF THE
5 CLAIM.

6 **SECTION 11. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly; except
9 that, if a referendum petition is filed pursuant to section 1 (3) of article V
10 of the state constitution against this act or an item, section, or part of this
11 act within such period, then the act, item, section, or part will not take
12 effect unless approved by the people at the general election to be held in
13 November 2026 and, in such case, will take effect on the date of the
14 official declaration of the vote thereon by the governor.