



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1190: EXPANDING COLORADO COTTAGE FOODS ACT

Prime Sponsors:

Rep. Gonzalez R.

Fiscal Analyst:

Matt Bishop, 303-866-4796

matt.bishop@coleg.gov

Published for: House Ag., Water & Natural Res.

Drafting number: LLS 25-0773

Version: Initial Fiscal Note

Date: February 20, 2025

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

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.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
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

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Expenditures

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

Summary of Legislation

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

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

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

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
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
Total Costs	\$102,978	\$96,308
Total FTE	0.6 FTE	0.6 FTE

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

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

Effective Date

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

State Appropriations

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

Public Health and Environment

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](#).