

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 20-0523.01 Jery Payne x2157

HOUSE BILL 20-1211

HOUSE SPONSORSHIP

Valdez D. and Holtorf, Arndt, Catlin, Will, Bird, Bockenfeld, Esgar, Hooton, Roberts, Soper, Young

SENATE SPONSORSHIP

Rodriguez,

House Committees

Rural Affairs & Agriculture
Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF THE LICENSING OF EGG DEALERS,**
102 **AND, IN CONNECTION THEREWITH, IMPLEMENTING THE**
103 **RECOMMENDATIONS CONTAINED IN THE 2019 SUNSET REPORT**
104 **BY THE DEPARTMENT OF REGULATORY 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 - House Rural Affairs and Agriculture Committee. The bill implements the recommendations of the department of regulatory agencies' sunset review and report of the licensing of egg

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

SENATE
2nd Reading Unamended
June 9, 2020

HOUSE
3rd Reading Unamended
June 5, 2020

HOUSE
2nd Reading Unamended
June 4, 2020

dealers by:

- ! Extending the program for 11 years, until September 1, 2031 (**sections 1 and 2** of the bill);
- ! Adding the regulation of nonpoultry eggs from avian species and authorizing the commissioner of agriculture to adopt rules specifying how nonpoultry eggs will be regulated (**sections 3 through 6**); and
- ! Changing the fund where civil penalties are deposited from the inspection and consumer services cash fund to the general fund (**sections 7 and 8**).

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 (18)(a)(II); and **add** (32) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (18) (a) The following agencies, functions, or both,
7 are scheduled to repeal on July 1, 2020:

8 (II) ~~The regulation of poultry eggs in accordance with article 21~~
9 ~~of title 35, C.R.S.;~~

10 (32) (a) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, ARE
11 SCHEDULED FOR REPEAL ON SEPTEMBER 1, 2031:

12 (I) THE LICENSING OF EGG DEALERS IN ACCORDANCE WITH ARTICLE
13 21 OF TITLE 35.

14 (b) THIS SUBSECTION (32) IS REPEALED, EFFECTIVE SEPTEMBER 1,
15 2033.

16 **SECTION 2.** In Colorado Revised Statutes, **amend** 35-21-108 as
17 follows:

18 **35-21-108. Repeal of sections - review of functions.** Sections
19 35-21-104 and 35-21-107 (2) AND THIS SECTION are repealed, effective
20 ~~July 1, 2020. Prior to such~~ SEPTEMBER 1, 2031. BEFORE THE repeal, the

1 licensing functions of the department ~~shall be reviewed as provided for~~
2 ~~in~~ ARE SCHEDULED FOR REVIEW IN ACCORDANCE WITH section 24-34-104.
3 ~~C.R.S.~~

4 **SECTION 3.** In Colorado Revised Statutes, 35-21-101, **amend**
5 the introductory portion, (6), and (16); and **add** (13.5) as follows:

6 **35-21-101. Definitions - rules.** As used in this ~~article~~ ARTICLE 21,
7 unless the context otherwise requires:

8 (6) "Dealer" means any person who is engaged in selling POULTRY
9 eggs OR OTHER EGGS.

10 (13.5) "OTHER EGGS" MEANS THE EGGS WITH A SHELL OF ANY
11 AVIAN SPECIES, AS DESIGNATED BY THE COMMISSIONER BY RULE, OTHER
12 THAN THE DOMESTICATED CHICKEN.

13 (16) "Producer" means any person engaged in producing POULTRY
14 eggs OR OTHER EGGS in this state.

15 **SECTION 4.** In Colorado Revised Statutes, 35-21-104, **amend**
16 (1), (4)(b)(I), and (4)(b)(IV) as follows:

17 **35-21-104. Licenses - application - fees - rules.** (1) Every
18 person selling poultry eggs OR OTHER EGGS within this state shall obtain
19 from the department a dealer's license for each place where ~~such~~ THE
20 business is conducted. A license is not transferable. The license ~~shall~~
21 ~~expire~~ EXPIRES and may be renewed in accordance with rules
22 promulgated by the commissioner. No reduction of license fee may be
23 made for a fractional part of a year.

24 (4) (b) (I) The license categories shall be established by rule by
25 the commissioner based on the average number of cases of POULTRY eggs
26 (thirty dozen per case) OR OTHER EGGS sold per week during the previous
27 twelve months.

1 (IV) The applicant for a license shall keep such records as may be
2 necessary to indicate accurately the quantity of POULTRY eggs OR OTHER
3 EGGS sold per week during the year and shall allow the commissioner to
4 examine these records in determining the quantity of POULTRY eggs OR
5 OTHER EGGS sold. A licensee shall retain ~~such~~ THE records of quantity
6 sold for ~~a period of~~ two years.

7 **SECTION 5.** In Colorado Revised Statutes, 35-21-105, **amend**
8 (1) as follows:

9 **35-21-105. Exemption - rules.** (1) (a) Except as provided in
10 subsection (2) of this section, a person who produces and sells only on the
11 premises at which the POULTRY eggs were produced, at a farmers' market,
12 or through a community-supported agricultural organization, less than
13 two hundred fifty dozen POULTRY eggs per month is exempt from this
14 ~~article~~ ARTICLE 21; except that such a producer may apply for a dealer's
15 license and, ~~upon~~ IF IN compliance with this ~~article~~ ARTICLE 21, be issued
16 a dealer's license.

17 (b) THE COMMISSIONER MAY PROMULGATE RULES EXEMPTING
18 SMALL PRODUCERS OF OTHER EGGS OR DEALERS OF OTHER EGGS FROM
19 ANY PROVISION OF THIS ARTICLE 21 AND SETTING THE CONDITIONS FOR
20 THE EXEMPTION; EXCEPT THAT SUCH A PRODUCER MAY APPLY FOR A
21 DEALER'S LICENSE AND, IF IN COMPLIANCE WITH THIS ARTICLE 21, BE
22 ISSUED A DEALER'S LICENSE.

23 **SECTION 6.** In Colorado Revised Statutes, 35-21-106, **amend**
24 (1), (2)(b), and (3) as follows:

25 **35-21-106. Rules - commissioner to enforce - procedure.**
26 (1) The commissioner ~~is authorized to~~ MAY formulate rules ~~relating to~~
27 CONCERNING licensing, transporting, processing, labeling, sale, storage,

1 inspection, and record keeping as the commissioner may deem proper and
2 necessary for the furtherance and enforcement of this article. Such
3 ARTICLE 21 FOR BOTH POULTRY EGGS AND OTHER EGGS. THE
4 COMMISSIONER SHALL PROMULGATE THE rules shall be promulgated in
5 accordance with article 4 of title 24. ~~C.R.S.~~

6 (2) (b) If the commissioner determines that the provisions of this
7 article ARTICLE 21 or the rules promulgated for its THE enforcement OF
8 THIS ARTICLE 21 are being violated, the commissioner may cause "stop
9 sale notices" to be placed on all POULTRY eggs OR OTHER EGGS being sold
10 or offered for sale in violation of this article ARTICLE 21 or said THE rules.
11 ~~No~~ A person may SHALL NOT sell or otherwise dispose of POULTRY eggs
12 OR OTHER EGGS upon which a "stop sale notice" has been issued until
13 such THE "stop sale notice" has been cancelled by the commissioner or a
14 duly authorized agent.

15 (3) (a) IF AN AUTHORIZED PERSON FROM THE DEPARTMENT
16 REQUESTS TO INSPECT POULTRY EGGS OR OTHER EGGS, it is unlawful for
17 any A person to refuse to submit any FOR INSPECTION THE FOLLOWING OR
18 TO REFUSE TO STOP A VEHICLE TRANSPORTING THE FOLLOWING:

- 19 (I) POULTRY eggs; ~~or~~
- 20 (II) OTHER EGGS;
- 21 (III) POULTRY egg products; or
- 22 (IV) ~~to refuse to stop any vehicle transporting eggs or egg~~
23 ~~products for inspection by any authorized person of the department~~
24 OTHER EGG PRODUCTS.

25 (b) Any authorized agent of the department may, while enforcing
26 the provisions of this article ARTICLE 21, seize and hold as evidence any
27 carton or container of POULTRY eggs OR OTHER EGGS received, packed,

1 stored, delivered for shipment, loaded, or in transit in violation of any
2 provisions of this article ARTICLE 21.

3 **SECTION 7.** In Colorado Revised Statutes, 35-21-107.5, **amend**
4 (4) as follows:

5 **35-21-107.5. Civil penalties.** (4) ~~All moneys collected pursuant~~
6 ~~to this section shall be transmitted~~ THE COMMISSIONER SHALL TRANSMIT
7 CIVIL PENALTIES COLLECTED UNDER THIS SECTION to the state treasurer,
8 ~~and credited to the inspection and consumer services cash fund created in~~
9 ~~section 35-1-106.5~~ WHO SHALL CREDIT THE MONEY TO THE GENERAL
10 FUND.

11 **SECTION 8.** In Colorado Revised Statutes, 35-1-106.5, **amend**
12 (1) as follows:

13 **35-1-106.5. Inspection and consumer services cash fund -**
14 **creation.** (1) All fees, fines, and penalties collected pursuant to UNDER
15 articles 12, 13, 14, 21, 33, 36, 37, and 60 of this title 35 and part 2 of
16 article 43 of this title 35, OTHER THAN CIVIL PENALTIES COLLECTED UNDER
17 SECTION 35-21-107.5, shall be transmitted to the state treasurer, who shall
18 credit the same to the inspection and consumer services cash fund, which
19 fund is hereby created in the state treasury. All interest derived from the
20 deposit and investment of money in the fund shall be credited to the fund.
21 At the end of any fiscal year, all unexpended and unencumbered money
22 in the fund ~~shall remain~~ REMAINS in the fund and shall not be credited or
23 transferred to the general fund or any other fund or used for any purpose
24 other than to offset the costs of implementing, administering, and
25 enforcing the provisions of articles 12, 13, 14, 21, 33, 36, 37, and 60 of
26 this title 35 and part 2 of article 43 of this title 35. Money in the fund is
27 subject to annual appropriation to the department for such purposes.

1 **SECTION 9. Applicability.** This act applies to offenses
2 committed on or after the effective date of this act.

3 **SECTION 10. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety.