



COLORADO
Department of Public
Health & Environment



Support HB 1079

Wholesale Food Manufacturing & Storage Program Continuation

Rep. Chris Kennedy/Sens. Don Coram & Cheri Jahn

Background:

CDPHE registers wholesale food manufacturers and storage facilities in order to ensure food safety and provide federally-mandated approval for the export of food items from Colorado. Since 2003, this program has been supported by cash fees paid by registered entities.

The program funded by these fees focuses on compliance assistance, sharing best practices and proactively reaching out to the registrants. The result is a collaborative relationship between the State and the regulated community that has helped to ensure food safety in accordance with the Colorado Food and Drug Act and FDA requirements.

A critical program for Colorado's residents and businesses:

- Registration and inspection allows CDPHE and local public health agencies to act quickly in tracing foodborne illness outbreaks to their source
- Approves the sale of wholesale food items in restaurants, groceries, convenience stores and other retail establishments which generate over \$12 billion in annual sales in CO
- Approves of food shipped for sale out of state. Without this program, Colorado food manufacturers would not be able to export to other markets per Federal regulations
- Administers over 400 food recalls on an annual basis

What this bill does:

- Continues the Wholesale Food Manufacturing and Storage program and fees currently scheduled to repeal on July 1, 2017
- Retains fees set in statute—the General Assembly will retain control over fee changes
- Modernizes and restructures fees in order to reflect levels of risk in food manufacturing and storage and ensure small businesses are not overly burdened by fees
 - Non-profit organizations pay no fee
 - Grain elevators, breweries, wineries and manufacturers of distilled products would pay only a \$100 application fee
 - Facilities other than those listed above with gross annual sales of less than \$150k/year would pay an additional \$60 (\$160 total)
 - Facilities other than those listed above with gross annual sales of more than \$150k/year would pay an additional \$300 (\$400 total)

Comparison of *current law* to proposed fee changes in *HB 1079*:

Fee Type	Current Fee	New Fee	Difference
Nonprofit organization	\$0 (regardless of annual sales)	\$0 (regardless of annual sales)	\$0
Grain elevators	\$0 (regardless of annual sales)	\$100 (regardless of annual sales)	+\$100
Breweries, distilleries, wineries	Varies between \$0 and \$390 depending on annual sales	\$100 (regardless of annual sales)	-\$290 to +\$100, depending on annual sales
Very Small Businesses (under \$15k/yr revenue)	\$0	\$100 or \$160, depending on type of business	+\$100 or +\$160, depending on type of business
Small Businesses (between \$15k and \$50k/yr revenue)	\$185	\$100 or \$160, depending on type of business	-\$85 or -\$25, depending on type of business
Medium Businesses (between \$50k and \$150k/yr revenue)	\$307	\$100 or \$160, depending on type of business	-\$207 or -\$147, depending on type of business
Large Businesses (over \$150k/yr revenue)	\$390	\$100 or \$400, depending on type of business	-\$290 or +\$10, depending on type of business
Certificate of Free Sale	\$128	\$150	+\$22

New, *simplified* fee structure proposed in *HB 1079*:

Fee Type	Proposed Fee
Nonprofit organization	\$0
Grain elevators, breweries, wineries, distilleries	\$100
Businesses <i>under</i> \$150k/yr annual sales and not listed above	\$160
Businesses <i>over</i> \$150k/yr annual sales and not listed above	\$400
Certificate of Free Sale	\$150