

CHAPTER 218

AGRICULTURE

SENATE BILL 25-176

BY SENATOR(S) Pelton R. and Snyder, Catlin, Marchman, Pelton B., Roberts, Bridges, Exum, Hinrichsen, Simpson;
also REPRESENTATIVE(S) Martinez and Winter T., Bird, Caldwell, Duran, Lindsay, Lukens, Mauro, McCormick, Stewart K.,
McCluskie.

AN ACT

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

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

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

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

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

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

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

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

35-36-109. Repeal of article - subject to review. This article 36 is repealed, effective September 1, 2025 2032. Before the repeal, ~~the licensing functions of the~~

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

~~commissioner are~~ THIS ARTICLE 36 IS scheduled for review in accordance with section 24-34-104.

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

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

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

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

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

35-36-103. Commissioner - rules - delegation of powers and duties.

(1) (c) THE COMMISSIONER MAY BY RULE PERIODICALLY ADJUST THE PURCHASE LIMIT FOR QUALIFICATION AS A SMALL-VOLUME DEALER AS SET FORTH IN SECTION 35-36-102 (34)(c).

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

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

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

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

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

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

(b) "COMMODITY" DOES NOT INCLUDE MARIJUANA.

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

35-36-105. Civil penalties. (5) The commissioner shall transmit all money collected from civil penalties pursuant to this section to the state treasurer, who shall

credit it THE MONEY to the inspection and consumer services cash fund created in section 35-1-106.5 GENERAL FUND.

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

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

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

SECTION 9. In Colorado Revised Statutes, 35-36-216, **add** (1)(c)(III) as follows:

35-36-216. Bonds or irrevocable letters of credit - exemptions. (1) (c) (III) A PRODUCER OR OWNER IS NOT ELIGIBLE FOR REIMBURSEMENT FROM THE BOND OR THE IRREVOCABLE LETTER OF CREDIT FOR A CLAIM SUBMITTED PURSUANT TO THIS SECTION IF, AT THE TIME THE CLAIM IS SUBMITTED, THE PRODUCER OR OWNER IS:

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

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

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

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

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

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

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

Approved: May 20, 2025