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**SUBSTITUTE HOUSE BILL 1685**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** House Rural Development, Agriculture & Natural Resources (originally sponsored by Representatives Eslick, Shewmake, Springer, Bateman, Paul, Rule, Wylie, Griffey, Sutherland, and Frame)

AN ACT Relating to increasing the cap on gross sales for cottage food operations; amending RCW 69.22.050; and adding a new section to chapter 69.22 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 69.22.050 and 2015 c 196 s 1 are each amended to read as follows:

(1) ((~~The~~)) (a) Except as provided in (b) of this subsection, the annual gross sales of cottage food products may not exceed ((~~twenty-five thousand dollars~~)) $50,000. The determination of the maximum annual gross sales must be computed on the basis of the amount of gross sales within or at a particular domestic residence and may not be computed on a per person basis within or at an individual domestic residence.

(b) Every two years, the department shall review the cap on annual gross sales established in (a) of this subsection and increase the cap by expedited rule making, in accordance with RCW 34.05.353, based on that year's average consumer price index for the Seattle, Washington area for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(2) If gross sales exceed the maximum allowable annual gross sales amount established under subsection (1) of this section, the cottage food operation must either obtain a food processing plant license under chapter 69.07 RCW or cease operations.

(3) A cottage food operation exceeding the maximum allowable annual gross sales amount established under subsection (1) of this section is not entitled to a full or partial refund of any fees paid under RCW 69.22.030 or 69.22.040.

(4) The director may request in writing documentation to verify the annual gross sales figure.

NEW SECTION. **Sec.**  A new section is added to chapter 69.22 RCW to read as follows:

The department shall maintain sufficient full-time equivalent staff to ensure timely processing of permits required under this chapter and provide improved service levels to cottage food operations.

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