

HOUSE BILL REPORT

HB 1135

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to the annual gross sales limits for cottage food operations.

Brief Description: Concerning the annual gross sales limits for cottage food operations.

Sponsors: Representatives Overstreet, Moeller, Taylor, Shea, Condotta, Buys, Dahlquist, Hargrove and Warnick.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/31/13, 1/23/14 [DPS].

Brief Summary of Substitute Bill

- Increases the gross income limit for cottage food operations from \$15,000 to \$25,000.
- Removes automatic increases to the gross income limit.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Chandler, Haigh, Hurst, Kretz, Orcutt, Pettigrew, Schmick and Warnick.

Minority Report: Do not pass. Signed by 3 members: Representatives Dunshee, Stanford and Van De Wege.

Staff: Jason Callahan (786-7117).

Background:

The Washington State Department of Agriculture (WSDA) is authorized to adopt rules that allow for cottage food operations. Permitted cottage food operations are exempt from the state's commercial food service regulations and from licensing by public health jurisdictions.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A cottage food operation is defined as a person who produces, in the kitchen of their domestic residence, a food that is not potentially hazardous. Examples of cottage food are jams, jellies, fruit butters, and preserves. Potentially hazardous foods that are not allowed to be produced by a cottage food operator are those that require temperature control and are capable of supporting the rapid growth of pathogenic or toxigenic microorganisms.

To qualify as a cottage food product, the product must be produced in the kitchen of a single-family dwelling, or an area with a rental unit where a single person or family actually resides, from which no more than \$15,000 in gross annual sales is generated. The WSDA must increase the \$15,000 annual gross sales limit biennially to adjust for inflation. The kitchen may not be located in a group or communal residential setting or be located in an outbuilding, shed, or barn. In addition, a cottage food product must be stored only in its originating domestic kitchen and may only be sold directly to the consumer from the producer. Interstate mail order and internet sales are not allowed for cottage food products.

Cottage foods are still required to be packaged and properly labeled. To be properly labeled, the package must contain certain information. This information includes the name and ingredients of the product, the product's net weight or volume, and any federally required allergen and nutritional information identification. In addition, the label must include a disclosure that the product was made in a home kitchen.

Cottage food operations must pay annually to the WSDA a \$30 application processing fee and a \$75 public health review fee. In addition, all cottage food operations must be inspected annually for basic hygiene. The WSDA must charge a \$125 inspection fee. The WSDA may contract with local health jurisdictions to conduct the inspections.

Summary of Substitute Bill:

The gross income limit for cottage food operations is increased from \$15,000 to \$25,000. The biennial increase to that limit to synch with inflation is removed; however, the WSDA retains the authority to raise the limit by rule.

Substitute Bill Compared to Original Bill:

The original bill removed the gross income limit for cottage food operations in its entirety.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

See Committee Records from the 2013 Regular Session.

Persons Testifying: See Committee Records from the 2013 Regular Session.

Persons Signed In To Testify But Not Testifying: See Committee Records from the 2013 Regular Session.