

HOUSE BILL REPORT

HB 2218

As Passed House:
February 12, 2020

Title: An act relating to increasing the cap on gross sales for cottage food operations.

Brief Description: Increasing the cap on gross sales for cottage food operations.

Sponsors: Representatives Eslick, Leavitt, Chambers, Callan, Dent, Walsh, Corry, Jenkin, Van Werven, Ryu, Shewmake, Thai, Young and Wylie.

Brief History:

Committee Activity:

Rural Development, Agriculture, & Natural Resources: 1/17/20, 1/24/20 [DP].

Floor Activity:

Passed House: 2/12/20, 97-0.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Increases the cap on gross sales for cottage food products.

HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE, & NATURAL RESOURCES

Majority Report: Do pass. Signed by 13 members: Representatives Blake, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chapman, Dye, Fitzgibbon, Lekanoff, Orcutt, Ramos, Schmick, Springer and Walsh.

Staff: Rebecca Lewis (786-7339).

Background:

Under the state cottage food program, a person may produce certain food products that are not potentially hazardous in a home kitchen for direct sale to a consumer. Examples of cottage food products are baked goods, jams, jellies, fruit butters, and preserves. In order to operate a cottage food business, a person must obtain a cottage food permit from the Washington State Department of Agriculture (WSDA). Annual gross sales for a cottage food

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business is capped at \$25,000. If the gross sales of a cottage food business exceeds \$25,000, the business must either acquire a food processor's license from the WSDA, or cease operations.

Any person operating a food processing plant, or processing foods for retail sale must obtain a food processor's permit from the WSDA. License fees are set in statute and based on gross annual sales. Certain establishments licensed under other WSDA programs, including licensed cottage food operations, are exempt from the food processor's permit requirement.

Summary of Bill:

The cap on annual gross sales for cottage food products is increased from \$25,000, to \$50,000.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The Cottage Food Program is valuable to the State of Washington. The current sales cap barely covers minimum wage. Washington is one of 22 states with a sales cap. California has already raised their cap to \$50,000. Changing this will help make businesses who make more expensive cottage food products viable. Some cake cottage food businesses can reach the \$25,000 sales cap in three weeks.

(Opposed) None.

Persons Testifying: Representative Eslick, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.