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**SUBSTITUTE HOUSE BILL 1706**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** House Local Government (originally sponsored by Representatives Entenman, Chapman, Ramel, Jacobsen, Reed, Doglio, Thai, Ryu, Fitzgibbon, Bateman, Fey, Berry, Orwall, Callan, Robertson, Ormsby, Eslick, Duerr, Slatter, and Macri)

AN ACT Relating to the operation, authorization, and permitting of microenterprise home kitchens; adding a new section to chapter 69.07 RCW; adding a new section to chapter 70.54 RCW; adding a new chapter to Title 70 RCW; creating new sections; and providing expiration dates.

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

NEW SECTION. **Sec.**  (1) The legislature recognizes the economic hardship caused by the COVID-19 pandemic.

(2) The legislature recognizes there are existing barriers in access to the food and hospitality industry that disproportionately impact black, indigenous, and immigrant, low income, and communities of color.

(3) It is the intent of the legislature to establish a pilot program to determine whether microenterprise home kitchen operations are a suitable model to reduce inequities in the food and hospitality industry, maintain public health principles, and vitalize the local food economy.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the state department of health.

(2) "Domestic residence" means a single-family dwelling or an area within a rental unit where a single person or family actually resides. "Domestic residence" does not include:

(a) A group or communal residential setting within any type of structure; or

(b) An outbuilding, shed, barn, or other similar structure.

(3) "Home kitchen" means a kitchen primarily intended for use by the residents of a home.

(4) "Internet food service intermediary" means an entity that facilitates the sale of home-cooked meals offered by a microenterprise home kitchen operation through the entity's digital network.

(5)(a) "Microenterprise home kitchen operation" means a home kitchen that is operated by a person in the person's primary domestic residence where food is stored, handled, and prepared for consumers and permitted by the regulatory authority as defined in this section.

(b) "Microenterprise home kitchen operation" does not include a cottage food operation as defined in chapter 69.22 RCW.

(6) "Operating plan" means the operating plan submitted by the microenterprise home kitchen operation pursuant to section 4 of this act.

(7) "Permit" means the document issued by the regulatory authority that authorizes a person to operate a food establishment.

(8) "Permit holder" means the entity that:

(a) Is legally responsible for the operation of the microenterprise home kitchen operation such as the owner, the owner's agent, or other person; and

(b) When required, possesses a valid permit to operate a microenterprise home kitchen operation.

(9) "Permitted area" means the portion of a domestic residence housing a home kitchen where the preparation, packaging, storage, or handling of food products for the microenterprise home kitchen operation occurs.

(10) "Regulatory authority" means the local, state, or federal enforcement body or authorized representative having jurisdiction over the food establishment. The local board of health, acting through the local health officer, is the regulatory authority for the activity of a food establishment, except as otherwise provided by law.

(11) "State board" means the state board of health.

(12) "Third-party delivery service" means an outsourced entity that provides delivery logistics of purchased meals from vendor to consumer.

NEW SECTION. **Sec.**  (1) The department shall develop and begin a pilot program to assess the possible adoption of rules for microenterprise home kitchen operations.

(a) Prior to issuing permits in any county administering the pilot program, the department must enter into a joint plan of responsibility with a local health jurisdiction.

(b) Starting July 1, 2024, the department is authorized to permit and inspect up to 200 microenterprise home kitchen operations during the pilot program. The department may issue no more than 75 permits in a single county.

(2) Microenterprise home kitchen operations may engage in the direct sale of food to consumers for consumption at a location other than the premises of the microenterprise home kitchen operation.

(3) Microenterprise home kitchen operations are subject to chapter 246-215 WAC, including but not limited to the following restrictions:

(a) Food preparation may not involve processes that require a hazard analysis critical control point plan from the department, the production, service, or sale of raw milk or raw milk products, as identified in RCW 15.36.012, nonpasteurized juice, curing of meats, or the service or sale of raw oysters or other shellfish;

(b) The operation may sell no more than 20 individual meals or meal equivalent portions per day and no more than 100 individual meals or meal equivalent portions per week based on the capacity of the microenterprise home kitchen operation;

(c) The operation may not engage in indirect sales to consumers;

(d) Food products prepared in a microenterprise home kitchen operation may not be delivered outside of the state by the operator of the microenterprise home kitchen operation unless allowed in the state of delivery;

(e) Food produced in a microenterprise home kitchen operation may not be delivered by a third-party delivery service;

(f) An internet food service intermediary must conspicuously post any fees associated with their digital network in high school equivalent English, offer or provide liability insurance, and notify microenterprise home kitchen operations in writing 30 days in advance of any fee change exceeding a two percent increase;

(g) The microenterprise home kitchen operation must be covered by a liability insurance policy, in an amount not less than $500,000, that would cover any incidents arising from the sale or consumption of food, including protection for consumers for injuries arising from a foodborne illness;

(h) The microenterprise home kitchen operation must post any inspection scores, grades, or other evaluation records required by the department at the entry of the operation during business hours and on any internet page or internet food service intermediary that is offering the operation's food for sale;

(i) Food produced in a microenterprise home kitchen operation may not be held hot for more than two hours before pickup or delivery; and

(j) Food produced in a microenterprise home kitchen operation may not be held overnight.

(4) Microenterprise home kitchen operations must follow the requirements of the current food service code in chapter 246-215 WAC, unless otherwise exempted by the department upon conducting a risk-based plan review pursuant to section 4 of this act.

(5) Upon conclusion of the pilot program, the state board may, based on the department's recommendation, adopt rules for the authorization, operation, and regulation of microenterprise home kitchen operations.

NEW SECTION. **Sec.**  (1) A microenterprise home kitchen operation must obtain a permit from the department.

(2) The microenterprise home kitchen operation's permit must be renewed annually. The department must maintain data on existing commissary, shared, or commercial kitchen facilities available for rent. Local health jurisdictions will work to inventory, permit, and inspect commissary, shared, or commercial kitchen facilities.

(3) All microenterprise home kitchen operation permits expire June 30, 2027.

(4) As part of the application for a permit to operate as a microenterprise home kitchen operation, an applicant must submit a written standard operating plan to the department that includes but is not limited to the following information:

(a) A menu stating the foods to be offered;

(b) All food types or products that will be handled;

(c) The proposed procedures and methods of food preparation and handling;

(d) A description of all food preparation surfaces, including how they will be cleaned and how often they will be cleaned;

(e) Procedures, methods, and schedules for cleaning utensils, equipment, and for the disposal of refuse;

(f) How food will be maintained at the required holding temperatures pending pickup by the consumer or during delivery if delivered by the operator;

(g) Procedures for food storage, which must meet the requirement that all food be stored at least six inches off the floor and include how prepared food will be stored prior to sale or delivery;

(h) A description of packaging for food;

(i) When meat and dairy products will be purchased and stored, including for how long such products will be stored prior to use;

(j) Cooking temperatures and how temperatures for cooked foods will be measured;

(k) How the microenterprise home kitchen operation will prevent anyone other than the approved and trained food service handler from accessing the kitchen while foods are being prepared;

(l) A description of adequate refrigeration capacity as appropriate to the menu;

(m) Days and times that the home kitchen may potentially be utilized as a microenterprise home kitchen operation. The listed days and times are provided only for informational purposes and are not binding on the permit holder's actual operations; and

(n) If the microenterprise home kitchen operation is in a rental property, attestation that operating a business does not violate the rental agreement.

(5) A permit may, as appropriate, require additional refrigeration capacity that is available and readily installable for home consumers.

(6) A microenterprise home kitchen operation permitted under this section must include a signed document attesting, by opting to become permitted, that the operator of the permitted microenterprise home kitchen operation understands that the department will seek to enter the permitted area of the domestic residence housing the microenterprise home kitchen operation for the purposes of inspections pursuant to section 5 of this act. After the department presents official credentials and provides notice of the purpose of, and intent to conduct, an inspection, the permit holder shall allow the department to determine if the microenterprise home kitchen operation is in compliance with this chapter by allowing access to the establishment, allowing inspection, and providing information and records specified in this chapter and to which the department is entitled according to law, during the microenterprise home kitchen operation's hours of operation and other reasonable times. Absent a search warrant, the health inspector may not enter a home when only minors are present.

(7) For purposes of permitting, the permitted area includes the home kitchen, food storage, utensils and equipment, toilet room, janitorial or cleaning facilities, outdoor cooking facilities, and refuse storage area. Food operations may not be conducted outside of the permitted areas.

(8) The department shall issue a permit after an initial inspection and review and risk-based assessment of the microenterprise home kitchen operation's operating plan have determined that the proposed microenterprise home kitchen operation and its method of operation comply with the requirements of this chapter.

(9) An applicant for a permit or a permit renewal as a microenterprise home kitchen operation must provide documentation that all individuals to be involved in the preparation of microenterprise home kitchen operation foods have secured a food and beverage service worker's permit under chapter 69.06 RCW.

(10) A permit, once issued, is nontransferable. A permit is valid only for the person and location specified by that permit and, unless suspended or revoked for cause, for the time period indicated.

(11) The permit, or an accurate copy thereof, must be retained by the operation on-site and displayed at all times the microenterprise home kitchen operation is in operation.

NEW SECTION. **Sec.**  (1) The permitted area of a microenterprise home kitchen operation must be inspected for basic hygiene by the department before initial permitting under section 4 of this act and may, at the discretion of the department, be inspected up to twice per year after initial permitting only when the permit holder is present. The permit holder shall make themselves available for routine inspection or in response to a foodborne outbreak or other public health emergency. The authority of the department to inspect a microenterprise home kitchen operation includes the authority to inspect any records required to be kept under the provisions of this chapter. For any inspection, the department shall document the reason for the inspection, shall maintain such documentation on file with the microenterprise home kitchen operation's permit, and shall provide the reason for the inspection in writing to the permit holder of the microenterprise home kitchen operation. The inspector's access is limited to the permitted area.

(2) When the department conducts a basic hygiene inspection, the department shall, at a minimum, inspect for the following:

(a) That the permitted microenterprise home kitchen operation understands that no person other than the permittee, or a person under the direct supervision of the permittee, may be engaged in the processing, preparing, packaging, or handling of any microenterprise home kitchen operation food products or be in the home kitchen during the preparation, packaging, or handling of any microenterprise home kitchen operation food products;

(b) That no microenterprise home kitchen operation food preparation, packaging, or handling is occurring in the microenterprise home kitchen operation concurrent with any other domestic activities such as family meal preparation, dishwashing, clothes washing or ironing, kitchen cleaning, or guest entertainment, except that this subsection (2)(b) may not be construed so as to prohibit a microenterprise home kitchen operation from offering cooking classes within the home kitchen;

(c) That no infants, small children, or pets are in the microenterprise home kitchen operation during the preparation, packaging, or handling of any microenterprise home kitchen operation food products;

(d) That all food-contact surfaces, equipment, and utensils used for the preparation, packaging, or handling of any microenterprise home kitchen operation food products are washed, rinsed, and sanitized before each use;

(e) That all food preparation and food and equipment storage areas are maintained free of rodents and insects; and

(f) That all persons involved in the preparation and packaging of microenterprise home kitchen operation food products:

(i) Have obtained a food and beverage service worker's permit under chapter 69.06 RCW;

(ii) Are not preparing meals for sale in the home kitchen when ill with a communicable disease or condition;

(iii) Wash their hands before any food preparation and food packaging activities; and

(iv) Avoid bare hand contact with ready-to-eat foods through the use of single-service gloves, bakery papers, tongs, or other utensils.

(3) Nonemergency inspections may occur only during the normal business hours when the permit holder is present and with reasonable advance notice, by appointment, or pursuant to a search warrant. Under ordinary circumstances, advance notice provided at least two business days prior is considered reasonable for purposes of this section.

(4) If in the event the department is denied access to the permitted area of a domestic residence housing a microenterprise home kitchen operation where access was sought for the purposes of enforcing or administering this chapter, the department may:

(a) Issue a closure notice to be posted on the premises in a conspicuous location during normal business hours of the operation for potential patrons and require that either the production or sale, or both, of food products cease immediately; and

(b) Apply to any court of competent jurisdiction for a search warrant authorizing access to the permitted area of a domestic residence housing a permitted microenterprise home kitchen operation, upon which the court may issue a search warrant for the purposes requested.

(5) Access provided under this section is limited to the permitted area of the microenterprise home kitchen operation, during regular business hours, and solely for the purpose of enforcing or administering this chapter.

NEW SECTION. **Sec.**  (1) When the department or the local health jurisdiction determines that any person is engaging in a microenterprise home kitchen operation without a valid permit issued under section 4 of this act, the department or local health jurisdiction may impose penalties consistent with violations of chapter 246-215 WAC.

(2) When the department determines a permit holder of a microenterprise home kitchen operation is violating any provision of this chapter or any rule adopted under this chapter, the department may impose penalties or conditions as provided in this section.

(3)(a) For the first violation within a two-year period, the department must hold an administrative conference with the operator of the microenterprise home kitchen operation, which may include, as appropriate, an offer of technical assistance.

(b) For the second or subsequent violation within a two-year period, the department may initiate one, or a combination of one or more, of the following compliance methods:

(i) A written warning;

(ii) Placing the microenterprise home kitchen operation on probation, which may include setting conditions for continued operation of the microenterprise home kitchen operation during the probation period and, if the individual is operating without a valid permit, an administrative fine;

(iii) Suspending the permit of the microenterprise home kitchen operation;

(iv) Revoking the permit of the microenterprise home kitchen operation; and

(v) Issuing fees to cover the cost of inspections prior to a microenterprise home kitchen operation preparing food after suspension or revocation.

NEW SECTION. **Sec.**  (1) If the department seeks to deny, suspend, or revoke any permit provided for in this chapter, it may do so if, after conducting a hearing, it is determined that a permittee has committed any of the following acts:

(a) Refused, neglected, or failed to comply with the provisions of this chapter or any lawful order of the local health jurisdiction;

(b) Refused, neglected, or failed to keep and maintain records required by this chapter, any rule adopted to administer this chapter, or to make the records available when requested pursuant to the provisions of this chapter;

(c) Consistent with section 5 of this act, refused the department access to the permitted area of a domestic residence housing a microenterprise home kitchen operation for the purpose of carrying out the provisions of this chapter;

(d) Consistent with section 5 of this act, refused the department access to any records required to be kept under the provisions of this chapter; or

(e) Exceeded the meal preparation limits provided in section 3 of this act.

(2) The department may summarily suspend a permit issued under this chapter, whether or not the permittee has been found to have committed a prior violation, if the health officer or designee finds that a microenterprise home kitchen operation is operating under conditions that constitute an immediate danger to public health or if the department is denied access to the permitted area of a domestic residence housing a microenterprise home kitchen operation and records where the access was sought for the purposes of enforcing or administering this chapter.

NEW SECTION. **Sec.**  Except as otherwise provided in this chapter, a microenterprise home kitchen operation with a valid permit under section 4 of this act is not subject to the provisions of chapter 69.07 RCW or to permitting and inspection by the department of agriculture.

NEW SECTION. **Sec.**  A new section is added to chapter 69.07 RCW to read as follows:

(1) This chapter does not apply to a microenterprise home kitchen operation with a valid permit under section 4 of this act.

(2) This section expires June 30, 2027.

NEW SECTION. **Sec.**  A new section is added to chapter 70.54 RCW to read as follows:

The department of health shall compile and maintain, in a manner and format readily accessible by the public, statistics related to the number and distribution of microenterprise home kitchen operations permitted pursuant to section 4 of this act.

NEW SECTION. **Sec.**  Beginning one year after the pilot program begins, by June 30th of each year, the department must submit an annual report to the legislature and the governor in compliance with RCW 43.01.036. Reports should include, but are not limited to, the following:

(1) Reviewing the program adopted in this chapter;

(2) Statistics related to the number and distribution of microenterprise home kitchen operations to be permitted or that are permitted;

(3) Data on existing commissary, shared, or commercial kitchen facilities available for rent;

(4) Any foodborne illness outbreaks associated with any microenterprise home kitchen operation; and

(5) Providing recommendations for necessary legislation regarding the program adopted in this chapter.

NEW SECTION. **Sec.**  Sections 2 through 8, 11, and 13 of this act constitute a new chapter in Title 70 RCW.

NEW SECTION. **Sec.**  This chapter expires June 30, 2027.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

NEW SECTION. **Sec.**  The obligation of local governments to comply with the requirements established in sections 2 through 8 of this act is contingent on the provision of state funding to local governments for the specific purpose of complying with these requirements.

**--- END ---**