

FINAL BILL REPORT

SHB 1500

PARTIAL VETO

C 352 L 23

Synopsis as Enacted

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

Sponsors: House Committee on Agriculture and Natural Resources (originally sponsored by Representatives Eslick, Chapman, Jacobsen, Ramel, Leavitt, Walen, Peterson, Couture, Paul, Doglio and Macri).

House Committee on Agriculture and Natural Resources
Senate Committee on Agriculture, Water, Natural Resources & Parks

Background:

Any person operating a food processing plant or processing foods for retail sale must obtain a food processing plant license from the Department of Agriculture (WSDA). License fees are set in statute and based on gross annual sales. Certain establishments licensed or permitted under other WSDA programs, including the state cottage food program, are exempt from the food processor plant license requirement.

Under the state cottage food program, a person may produce certain non-hazardous food products in a home kitchen for direct sale to a consumer. In order to operate a cottage food business, a person must obtain a cottage food permit from the WSDA, and permits must be renewed annually with a \$75 public health review fee, a \$30 processing fee, and an inspection fee of \$125 for any initial or annual basic hygiene inspections conducted. Examples of products that may be produced under a cottage food permit are baked goods, jams, jellies, fruit butters, and preserves. Annual gross sales for a cottage food 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, or cease operations.

Summary:

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

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\$35,000. The Department of Agriculture (WSDA) must review the cap every four years. The WSDA must increase the cap by expedited rulemaking based on that year's Consumer Price Index for the Seattle area as compiled by the Bureau of Labor Statistics, United States Department of Labor.

The WSDA must employ sufficient full-time equivalent staff to ensure timely processing of cottage food permit applications, and provide improved service to cottage food businesses.

Instead of annually, cottage food permits must be renewed every two years.

Votes on Final Passage:

House	98	0	
Senate	48	1	(Senate amended)
House	96	0	(House concurred)

Effective: July 23, 2023

Partial Veto Summary: The Governor vetoed the section of the bill requiring the Department of Agriculture to employ sufficient full-time equivalent staff to ensure timely processing of cottage food permit applications and provide improved service to cottage food businesses.