

SENATE BILL REPORT

SB 5107

As of January 17, 2023

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: Senators Shewmake, Frame, Liias, Nguyen, Randall, Rolfes and Salomon.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/19/23.

Brief Summary of Bill

- Increases the annual cap on gross sales for cottage food operations from \$25,000 to \$50,000.
- Requires a review and increase of the cap every two years based on the average consumer price index for the Seattle, Washington area.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Delika Steele (786-7486)

Background: Any person operating a food processing plant or processing foods for retail sale must obtain a food processing plant license from the Washington State Department of Agriculture (WSDA). License fees are set in statute, and based on gross annual sales. Certain establishments licensed 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.

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

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 of Bill: The cap on annual gross sales for cottage food products is increased from \$25,000 to \$50,000. The WSDA must review and increase the cap every two years by expedited rulemaking based on that year's Consumer Price Index for the Seattle, Washington 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 applications, and provide improved service to cottage food businesses.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.