

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1500

Chapter 352, Laws of 2023

(partial veto)

68th Legislature
2023 Regular Session

COTTAGE FOOD OPERATIONS—CAP ON ANNUAL GROSS SALES AND PERMIT DURATION

EFFECTIVE DATE: July 23, 2023

Passed by the House April 13, 2023
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 22, 2023
Yeas 48 Nays 1

DENNY HECK

President of the Senate

Approved May 9, 2023 10:49 AM with
the exception of section 3, which is
vetoed.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1500** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 10, 2023

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1500

AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By House Agriculture and Natural Resources (originally sponsored by Representatives Eslick, Chapman, Jacobsen, Ramel, Leavitt, Walen, Peterson, Couture, Paul, Doglio, and Macri)

READ FIRST TIME 02/07/23.

1 AN ACT Relating to increasing the cap on gross sales for cottage
2 food operations; amending RCW 69.22.050 and 69.22.030; and adding a
3 new section to chapter 69.22 RCW.

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

5 **Sec. 1.** RCW 69.22.050 and 2015 c 196 s 1 are each amended to
6 read as follows:

7 (1) ~~((The))~~ (a) Except as provided in (b) of this subsection, the
8 annual gross sales of cottage food products may not exceed ~~((twenty-~~
9 ~~five thousand dollars))~~ \$35,000. The determination of the maximum
10 annual gross sales must be computed on the basis of the amount of
11 gross sales within or at a particular domestic residence and may not
12 be computed on a per person basis within or at an individual domestic
13 residence.

14 (b) Every four years, the department shall review the cap on
15 annual gross sales established in (a) of this subsection and increase
16 the cap by expedited rule making, in accordance with RCW 34.05.353,
17 based on that year's average consumer price index for the Seattle,
18 Washington area for urban wage earners and clerical workers, all
19 items, compiled by the bureau of labor statistics, United States
20 department of labor.

1 (2) If gross sales exceed the maximum allowable annual gross
2 sales amount established under subsection (1) of this section, the
3 cottage food operation must either obtain a food processing plant
4 license under chapter 69.07 RCW or cease operations.

5 (3) A cottage food operation exceeding the maximum allowable
6 annual gross sales amount established under subsection (1) of this
7 section is not entitled to a full or partial refund of any fees paid
8 under RCW 69.22.030 or 69.22.040.

9 (4) The director may request in writing documentation to verify
10 the annual gross sales figure.

11 **Sec. 2.** RCW 69.22.030 and 2011 c 281 s 3 are each amended to
12 read as follows:

13 (1) All cottage food operations must be permitted (~~(annually)~~)
14 every two years by the department on forms developed by the
15 department. All permits and permit renewals must be made on forms
16 developed by the director and be accompanied by an inspection fee as
17 provided in RCW 69.22.040, a (~~(seventy-five-dollar)~~) \$75 public
18 health review fee, and a (~~(thirty-dollar)~~) \$30 processing fee. All
19 fees must be deposited into the food processing inspection account
20 created in RCW 69.07.120.

21 (2) In addition to the provision of any information required by
22 the director on forms developed under subsection (1) of this section
23 and the payment of all fees, an applicant for a permit or a permit
24 renewal as a cottage food operation must also provide documentation
25 that all individuals to be involved in the preparation of cottage
26 (~~(foods [cottage food products])~~) food products have secured a food
27 and beverage service worker's permit under chapter 69.06 RCW.

28 (3) All cottage food operations permitted under this section must
29 include a signed document attesting, by opting to become permitted,
30 that the permitted cottage food operation expressly grants to the
31 director the right to enter the domestic residence housing the
32 cottage food operation during normal business hours, or at other
33 reasonable times, for the purposes of inspections under this chapter.

34 ****NEW SECTION. Sec. 3. A new section is added to chapter 69.22***
35 ***RCW to read as follows:***

36 ***The department shall maintain sufficient full-time equivalent***
37 ***staff to ensure timely processing of permits required under this***

1 **chapter and provide improved service levels to cottage food**
2 **operations.**

***Sec. 3 was vetoed. See message at end of chapter.**

Passed by the House April 13, 2023.

Passed by the Senate March 22, 2023.

Approved by the Governor May 9, 2023, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 10, 2023.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 3, Substitute House Bill No. 1500 entitled:

"AN ACT Relating to increasing the cap on gross sales for cottage food operations."

This bill revitalizes the cottage food program and ensures that the annual gross sales cap is maintained with inflationary adjustments. Cottage food products are important for Washingtonians, and I applaud the merits of these updates.

Section 3 requires that sufficient full-time equivalent staff are maintained to ensure timely processing of permits and to provide improved service levels. One additional full-time staff position was funded in the final budget for this purpose, which satisfies the current state of "sufficient" support. However, requiring the maintenance of sufficient staff regardless of funding puts the Department of Agriculture at risk of needing to reduce higher priorities if appropriations are reduced in future biennia.

For these reasons I have vetoed Section 3 of Substitute House Bill No. 1500.

With the exception of Section 3, Substitute House Bill No. 1500 is approved."

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