

HOUSE BILL REPORT

SB 5603

As Passed House - Amended:
April 9, 2015

Title: An act relating to cottage food operations.

Brief Description: Changing cottage food operation provisions.

Sponsors: Senators Warnick and Rolfes; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 3/12/15, 3/17/15 [DPA].

Floor Activity:

Passed House - Amended: 4/9/15, 97-0.

**Brief Summary of Bill
(As Amended by House)**

- Increases the gross income limit for cottage food operations from \$15,000 to \$25,000.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass as amended. Signed by 13 members: Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler, Dunshee, Hurst, Kretz, Orcutt, Pettigrew, Schmick, Stanford and Van De Wege.

Staff: Jason Callahan (786-7117).

Background:

The Washington State Department of Agriculture (WSDA) is authorized to adopt rules that allow for cottage food operations. Permitted cottage food operations are exempt from the state's commercial food service regulations and from licensing by public health jurisdictions. A cottage food operation is defined as a person who produces, in the kitchen of their domestic residence, a food that is not potentially hazardous. Examples of cottage food are

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jams, jellies, fruit butters, and preserves. Potentially hazardous foods that are not allowed to be produced by a cottage food operator are those that require temperature control and are capable of supporting the rapid growth of pathogenic or toxigenic microorganisms.

To qualify as a cottage food product, the product must be produced in the kitchen of a single-family dwelling, or an area with a rental unit where a single person or family actually resides, from which no more than \$15,000 in gross annual sales is generated. The WSDA must increase the \$15,000 annual gross sales limit biennially to adjust for inflation. The kitchen may not be located in a group or communal residential setting or be located in an outbuilding, shed, or barn. In addition, a cottage food product must be stored only in its originating domestic kitchen and may only be sold directly to the consumer from the producer. Interstate mail order and Internet sales are not allowed for cottage food products.

Cottage foods are still required to be packaged and properly labeled. To be properly labeled, the package must contain certain information. This information includes the name and ingredients of the product, the product's net weight or volume, and any federally required allergen and nutritional information identification. In addition, the label must include a disclosure that the product was made in a home kitchen.

Cottage food operations must pay annually to the WSDA a \$30 application processing fee and a \$75 public health review fee. In addition, all cottage food operations must be inspected annually for basic hygiene. The WSDA must charge a \$125 inspection fee. The WSDA may contract with local health jurisdictions to conduct the inspections.

Summary of Amended Bill:

The gross income limit for cottage food operations is increased from \$15,000 to \$25,000.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: 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 industry is thriving and is ready to be able to make more money and still retain the cottage food operator designation. Cottage food licenses have proved very helpful for stay-at-home moms and as secondary income sources for families. Cottage food operations are generally safe and there is no public health risk in raising the income cap to \$25,000. However, any revenue above that amount would require the cottage food operator to satisfy federal food safety rules, which would be very hard to do in a home kitchen environment.

(In support with amendment(s)) The WSDA should not be able to raise the gross income cap for cottage food operators above \$25,000 in rule. A change in the gross income cap should only be made with legislative oversight.

(Opposed) None.

Persons Testifying: (In support) Senator Warnick, prime sponsor; and Steve Fuller, Washington State Department of Agriculture.

(In support with amendment(s)) Amy Brackenbury, Washington Food Industry Association.

Persons Signed In To Testify But Not Testifying: None.