

SENATE BILL REPORT

SB 5603

As Amended by House, 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, Water & Rural Economic Development: 2/03/15, 2/05/15 [DP].

Passed Senate: 3/03/15, 49-0.

Passed House: 4/09/15, 97-0.

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Warnick, Chair; Dassel, Vice Chair; Hatfield, Ranking Minority Member; Hobbs and Honeyford.

Staff: Diane Smith (786-7410)

Background: Non-potentially hazardous foods prepared in a home kitchen for sale directly to the consumer may be licensed as cottage foods by the Washington State Department of Agriculture (WSDA) if annual gross sales are under \$15,000 per year.

The permit processing fee is \$30 per year, paid to WSDA. In addition there is a public health review fee of \$75, and an annual inspection fee of \$125 for a total of \$230. All fees are paid into the agricultural local fund.

Cottage food products are non-potentially hazardous baked goods, jams, jellies, preserves, and fruit butters as those terms are defined in federal regulations, and other non-hazardous foods as they are identified by WSDA by rule. Cottage food operations are persons who produce cottage food products in the home kitchen of their primary domestic residence only for sale directly to the consumer.

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

The annual gross sales ceiling is set by WSDA under statute and requires WSDA to set the amount at \$15,000 from the beginning of the program, which was established in the 2011 legislative session and issued its first permit in June 2012. Beginning January 1, 2013, WSDA must increase this amount biennially to reflect inflation. The Cottage Food Permit exempts the holder from compliance with the Washington Food Processing Act.

Summary of Bill: The provisions for initial establishment of the \$15,000 ceiling and for its adjustment by inflation are deleted. The new ceiling is \$25,000.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The automatic link to inflation must be removed so as not to require the ceiling to be raised over \$25,000. At that point federal regulations for commercially produced food apply. Since the program's first licenses were issued in June 2012, WSDA has found cottage food operations to be generally clean and safe. There are now almost 100 licensees.

Persons Testifying: PRO: Senator Warnick, prime sponsor; Steve Fuller, WSDA.

House Amendment(s): Removes the ability for the Department of Agriculture to use rules to increase the maximum allowable gross sales amount allowed by a cottage food operator.