
**Agriculture and Natural Resources
Committee**

HB 1500

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

Sponsors: Representatives Eslick, Chapman, Jacobsen, Ramel, Leavitt, Walen, Peterson, Couture, Paul, Doglio and Macri.

Brief Summary of Bill

- Increases the cap on annual gross sales for cottage food operations.
- Directs the Department of Agriculture to review and increase the cap on annual gross sales.

Hearing Date: 1/27/23

Staff: Rebecca Lewis (786-7339).

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 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. Examples of products that may be produced under a cottage food permit are baked goods, jams, jellies, fruit butters,

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.

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 Department of Agriculture (WSDA) must review the cap every two 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 applications, and provide improved service to cottage food businesses.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.