

## SB 643 A STAFF MEASURE SUMMARY

### House Committee On Economic Development and Small Business

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**Prepared By:** Andrew Hendrie, LPRO Analyst

**Meeting Dates:** 4/25, 5/16

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#### WHAT THE MEASURE DOES:

Defines "retailer" as a person who engages in the business of selling consumer goods to retail buyers, and clarifies the definition includes coffee shops and excludes restaurants. Expands types of foods allowed under the state food safety program's residential exemptions from baked goods and confectionary items to packaged coffee beans, teas, popcorn, jams, jellies, honey, syrups, fruit butters, nut mixes, repackaged freeze-dried foods, repackaged dried and dehydrated foods, and powdered drink mixes. Modifies maximum annual gross sales requirement from \$20,000 with the possibility that the Oregon Department of Agriculture (ODA) may adopt rules to increase the limit, to \$50,000 with the requirement that ODA adjust the amount annually for inflation pursuant to the Consumer Price Index. Allows a person to sell foods directly to the end user in any manner, including from the home, online, through the mail, and at events. Allows a person to sell packaged foods to a retailer if the retailer agrees to store and display the foods separately from other foods and clearly indicate that the foods are homemade and not prepared in an inspected food establishment. Specifies label requirements including disclosure of the presence of pets or pet allergen potential, and the address of the food establishment or a unique identification number. Authorizes ODA to provide that identification number upon request, and to collect a reasonable fee for the service. Provides that ODA must prohibit pets from the food preparation area, but may not prohibit the food establishment from selling foods on the basis that there are pets in the residential dwelling.

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Senate vote: Ayes, 27; Nays, 1

#### ISSUES DISCUSSED:

- Shelf stable products
- Current limits of delivery
- Differences between restaurants and coffee shops
- Pet and food allergies
- Inspection and regulation of commercial and home kitchens
- Packaging, disclaimers on the packaging, and placement in coffee shops

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

"Cottage food" is a term that describes food products prepared in a home that have a low-risk of spoiling or causing food-borne illness that are sold to the general public.

In 2015, the Legislative Assembly passed Senate Bill 320, which is known as Oregon's "cottage food law." The law went into effect on January 1, 2016, and allows individuals to prepare baked goods or confectionary items in their home kitchen for sale, with relatively few requirements from the state. Individuals operating a cottage food business must complete food handler training but are not subject to inspections or licensing requirements. The law limits annual sales to \$20,000, limits sales to direct-to-consumer, does not allow for internet or retail sales,

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requires a label that indicates the product is homemade and has not been prepared in an inspected food establishment, and provides other information about the product.

Senate Bill 643 A would expand the types of foods allowed under the state food safety program's residential exemptions and would modify allowed revenue totals, sales methods, pet management, and labeling requirements.

PRELIMINARY