

HOUSE BILL 693

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By: **Delegates M. Washington, Anderson, Clippinger, Cullison, Gaines, Ghrist, Hayes, Kipke, McCray, A. Miller, Moon, Oaks, B. Robinson, Turner, Waldstreicher, and West**

Introduced and read first time: February 12, 2015

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Health – Cottage Food Businesses – Revisions**

3 FOR the purpose of altering the limit on the amount of annual revenue that is used for the
4 purpose of defining “cottage food business”; prohibiting counties and municipal
5 corporations from limiting cottage food businesses to selling cottage food products
6 only at farmers markets; requiring counties and municipal corporations, under
7 certain circumstances, to accept a State cottage food business permit in lieu of a
8 certain license or permit; requiring the Department of Health and Mental Hygiene
9 to adopt certain regulations relating to cottage food businesses; making a conforming
10 change; and generally relating to cottage food businesses.

11 BY repealing and reenacting, without amendments,
12 Article – Health – General
13 Section 21–301(a) and (b–2)
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2014 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Health – General
18 Section 21–301(b–1) and 21–330.1
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2014 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

23 **Article – Health – General**

24 21–301.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this subtitle the following words have the meanings indicated.

2 (b-1) “Cottage food business” means a business that:

3 (1) Produces or packages cottage food products in a residential kitchen;

4 (2) Sells the cottage food products in accordance with § 21-330.1 of this
5 subtitle and regulations adopted by the Department; and

6 (3) Has annual revenues from the sale of cottage food products in an
7 amount not exceeding [~~25,000~~] **\$40,000**.

8 (b-2) “Cottage food product” means a nonhazardous food, as specified in regulations
9 adopted by the Department, that is sold at a farmer’s market or public event in accordance
10 with § 21-330.1 of this subtitle and regulations adopted by the Department.

11 21-330.1.

12 (a) This section does not:

13 (1) Apply to a food establishment that is required to have a license under §
14 21-305 of this subtitle; or

15 (2) Exempt a cottage food business from any applicable State or federal tax
16 laws.

17 (b) A cottage food business is not required to be licensed by the Department if the
18 owner of the cottage food business complies with this section.

19 (c) The owner of a cottage food business may sell only cottage food products that
20 are:

21 (1) Stored on the premises of the cottage food business; and

22 (2) Prepackaged with a label that contains:

23 (i) The following information:

24 1. The name and address of the cottage food business;

25 2. The name of the cottage food product;

26 3. The ingredients of the cottage food product in descending
27 order of the amount of each ingredient by weight;

28 4. The net weight or net volume of the cottage food product;

1 5. Allergen information as specified by federal labeling
2 requirements; and

3 6. If any nutritional claim is made, nutritional information
4 as specified by federal labeling requirements; and

5 (ii) The following statement printed in 10 point or larger type in a
6 color that provides a clear contrast to the background of the label: "Made by a cottage food
7 business that is not subject to Maryland's food safety regulations."

8 (d) **(1) [The] SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**
9 **THE** owner of a cottage food business shall comply with all applicable county and municipal
10 laws and ordinances regulating the preparation, processing, storage, and sale of cottage
11 food products.

12 **(2) A COUNTY OR MUNICIPAL CORPORATION MAY NOT LIMIT**
13 **COTTAGE FOOD BUSINESSES TO SELLING COTTAGE FOOD PRODUCTS ONLY AT**
14 **FARMERS' MARKETS.**

15 **(3) IF A COUNTY OR MUNICIPAL CORPORATION REQUIRES A COTTAGE**
16 **FOOD BUSINESS TO OBTAIN A LICENSE OR PERMIT BEFORE SELLING COTTAGE FOOD**
17 **PRODUCTS IN THE COUNTY OR MUNICIPAL CORPORATION, THE COUNTY OR**
18 **MUNICIPAL CORPORATION SHALL ACCEPT THE STATE COTTAGE FOOD BUSINESS**
19 **PERMIT ISSUED BY THE DEPARTMENT IN LIEU OF THE LICENSE OR PERMIT**
20 **OTHERWISE REQUIRED.**

21 (e) (1) The Department may investigate any complaint alleging that a cottage
22 food business has violated this section.

23 (2) On receipt of a complaint, a representative of the Department, at a
24 reasonable time, may enter and inspect the premises of a cottage food business to determine
25 compliance with this section.

26 (3) The owner of a cottage food business may not:

27 (i) Refuse to grant access to a representative who requests to enter
28 and inspect the premises of the cottage food business under paragraph (2) of this subsection;
29 or

30 (ii) Interfere with any inspection under paragraph (2) of this
31 subsection.

32 (4) An investigation of a cottage food business conducted under this
33 subsection may include sampling of a cottage food product to determine if the cottage food
34 product is misbranded or adulterated.

1 (f) The Department shall adopt regulations to carry out this section, INCLUDING
2 REGULATIONS REGARDING:

3 (1) THE APPLICATION PROCESS AND OTHER REQUIREMENTS
4 GOVERNING THE ISSUANCE AND TERMS OF THE STATE COTTAGE FOOD BUSINESS
5 PERMIT THAT A COUNTY OR MUNICIPAL CORPORATION IS REQUIRED TO ACCEPT
6 UNDER SUBSECTION (D)(3) OF THIS SECTION;

7 (2) INFORMATION THAT MUST BE PROVIDED TO A CONSUMER OF
8 COTTAGE FOOD PRODUCTS IN ADDITION TO THE LABELING REQUIREMENTS UNDER
9 SUBSECTION (C)(2) OF THIS SECTION; AND

10 (3) FOOD SAFETY REQUIREMENTS WITH WHICH A COTTAGE FOOD
11 BUSINESS MUST COMPLY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2015.