# A BILL FOR AN ACT

RELATING TO COTTAGE FOOD BUSINESSES.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Many states have cottage food laws that govern 2 home-based food production businesses. These laws allow a 3 person to prepare food products, including baked goods, jams, 4 jellies, preserves, and spice rubs from the home kitchen of a 5 domestic residence and sell them directly to consumers. 6 is among the few states that do not have some type of cottage food law. 7 8 The legislature finds that cottage food laws promote 9 economic recovery and vitality through small business ownership, 10 as well as food security and sustainability by fostering 11 connections between businesses, island-based farmers, and local 12 communities. 13 The purpose of this Act, therefore, is to establish a cottage food law to allow home-based food production businesses
- 14 15 to sell food items directly to consumers if certain conditions 16 are met.

1	SECT	ION 2. Chapter 328, Hawaii Revised Statutes, is				
2	amended by adding a new section to be appropriately designated					
3	and to read as follows:					
4	"§328- Cottage food products; exemption. (a) The sale					
5	of cottage food products shall be permitted if the cottage foo					
6	operator:					
.7	(1)	Is registered with the department pursuant to				
8	·	subsection (d);				
9	(2)	Sells the cottage food products directly to consumers;				
10		provided that no cottage food operator shall offer any				
11		cottage food product for sale to consumers or				
12		otherwise via internet transaction;				
13	(3)	Takes all reasonable steps to protect the cottage food				
14		products intended for sale from contamination during				
15		preparation, processing, packaging, storage, handling,				
16		and distribution. Reasonable steps include, but are				
17		not limited to:				
18		(A) Maintaining direct supervision of any person,				
19		other than the cottage food operator, engaged in				
20		the processing, preparing, packaging, storing,				
21		handling, or distribution of the cottage food				
22		product intended for sale;				

1		<u>(B)</u>	Prohibiting all animals from entering the area in	
2			the dwelling where cottage food products are	
3			processed, prepared, packaged, stored, handled,	
4			or distributed, and prohibiting all animals from	
5			having access to, or coming into contact with,	
6			stored ingredients used for cottage food products	
7			intended for sale;	
8		(C)	Prohibiting all domestic activities in the area	
9			while cottage food products intended for sale are	
10			being processed, prepared, packaged, handled, or	
11			distributed; and	
12		(D)	Prohibiting any person infected with a	
13			communicable disease, who is a carrier of	
14			organisms that can cause a communicable disease,	
15			who has an infected wound, or who has an acute	
16			respiratory infection, from processing,	
17			preparing, packaging, handling, or distributing	
18			any cottage food product intended for sale;	
19	(4)	Main	tains a clean and sanitary facility that has, at	
20		minimum:		
21		(A)	Access to a municipal water source and proper	
22			sewage disposal;	

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1		(B) Adequate hand washing facilities;			
2		<u>(C)</u>	C) A separate storage place for all ingredients used		
3			in processing or preparing any cottage food		
4			product intended for sale;		
5		(D)	A properly functioning refrigeration unit;		
6		<u>(E)</u>	A properly functioning toilet facility;		
7		<u>(F)</u>	A sink with adequate hot water to clean and		
8			sanitize all utensils and equipment used by the		
9			cottage food business;		
10		(G)	Adequate facilities for the storage of utensils		
11			and equipment used by the cottage food business;		
12			. <u>and</u>		
13		<u>(H)</u>	No evidence of insect or rodent activity;		
14	(5)	Labe	Labels all cottage food products sold pursuant to this		
15		section with:			
16		(A)	The name and address of the cottage food		
17			operator;		
18		(B)	The name of the cottage food product being sold;		
19		(C)	The date the cottage food product was produced;		
20		(D)	The ingredients used to make the cottage food		
21			product, in descending order of predominance by		
22			weight; and		

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I		(E) The	following statements, in clear and		
2		cons	picuous print:		
3.		<u>(i)</u>	"This food product is home-produced and		
4			processed."; and		
5		<u>(ii)</u>	"This food product was not produced or		
6			packaged in a Department of Health-inspected		
7			<pre>facility.";</pre>		
8	(6)	Ensures t	hat all individuals engaged in processing,		
9		preparing	, packaging, handling, or distributing any		
10		cottage fo	ood product intended for sale are		
11		knowledge	able of and follow safe food handling		
12		practices	; and		
13	(7)	Complies	with all rules adopted by the department to		
14		protect th	he health and safety of the public.		
15	(b)	In the eve	ent of a foodborne illness or foodborne		
16	illness o	utbreak re	sulting from a cottage food product, the		
17	departmen	t shall re	quire the cottage food operator who produced		
18	the cotta	ge food pro	oduct to immediately cease all operations and		
19	sales.				
20	<u>(c)</u>	A cottage	food operator shall complete a department-		
21	sanctione	d online c	ourse in food safety prior to selling any		
22	cottage f	ood produc	t. The online course shall provide a		
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Ŧ	certificate or other certification of completion. The
2	certification shall be renewed at least every five years.
3	(d) Prior to selling a cottage food product, a cottage
4	food operator shall register with the department. To become
5	registered, a cottage food operator shall provide the department
6	with the following information by application on a form and in a
7	manner to be determined by the department:
8	(1) The business name and home address of the cottage food
9	operator;
10	(2) A list of all cottage food products the cottage food
11	operator intends to produce for sale; and
12	(3) Proof that the cottage food operator has completed a
13	department-sanctioned online course in food safety
14	pursuant to subsection (c).
15	The department may charge a reasonable application and
<b>16</b>	registration fee to oversee the requirements of this section;
17	provided that fees collected shall be used solely to administer
18	this section.
19	(e) The department shall adopt rules pursuant to chapter
20	91 to effectuate the purpose of this section. Such rules shall
21	include, but not be limited to procedures for the application
22	and registration of cottage food operators, a list of non-
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- potentially hazardous foods that may be produced and sold under 1 2 this section, and procedures to address the outbreak of a 3 foodborne illness resulting from cottage food products. 4 (f) As used in this section, unless the context clearly 5 indicates otherwise: 6 "Cottage food operator" means a person who produces cottage 7 food products in the home kitchen of that person's primary 8 domestic residence in Hawaii and only for sale directly to the 9 consumer, and whose net earnings from the sale of the cottage **10** food product are more than \$ but less than \$ a 11 year. 12 "Cottage food product" means nonpotentially hazardous baked **13** goods, jams, jellies, preserves, and other nonpotentially 14 hazardous foods as determined by the director, that are produced 15 in a home kitchen. 16 "Domestic residence" means a single-family home, **17** condominium unit, or area within a rental unit where a single 18 person or family actually reside, but does not include any group 19 or communal residential setting within any type of structure or an outbuilding, shed, barn, or other similar structure. 20 21 "Home kitchen" means a kitchen primarily intended for use 22 by residents of a domestic residence that may contain one or
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- 1 more stoves or ovens, including a double oven, designed for
- 2 residential use. Home kitchens shall not include commercial
- 3 types of equipment.
- 4 "Nonpotentially hazardous food" includes foods with a low
- 5 water activity and high acid level that inhibits the growth of
- 6 pathogenic or toxigenic microorganisms, including Clostridium
- 7 botulinum."
- 8 SECTION 3. The department of health shall adopt the rules
- 9 required by this Act no later than December 31, 2014.
- 10 SECTION 4. New statutory material is underscored.
- 11 SECTION 5. This Act shall take effect on January 20, 2050.

### Report Title:

Cottage Food Products; Home Kitchen; Exemption

## Description:

Provides an exemption from Department of Health rules to certain cottage food products sold directly to consumers under certain conditions. Requires the Department of Health to adopt rules no later than December 31, 2014. Effective January 20, 2050. (HB2153 HD1)

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